

Data/Information Request # 1

IRC Level 1 Appeal of BAL-002 RFI

2-27-2012

Request 1: Did NERC, or the Standards Committee, convene the Interpretation Drafting Team (IDT), after comments were received?

Response 1:

The standards staff posted the interpretation for a 30-day pre-ballot review from January 15-February 15, 2010 and an initial ballot concluded on February 26, 2010. The standards staff assembled the comments submitted with ballots into a draft report (without responses) and distributed the report to the standards staff coordinator.

Based on guidance from the NERC Board of Trustees (BOT) ([see Exhibit 1A, pages 3-4](#)), NERC standards staff internally discussed how to proceed, and began recommending at the May 2010 SC meeting that the project be halted consistent with the Board guidance.

The standards staff coordinator drafted initial responses, and distributed the draft report (with draft responses) to the members of the team for their review and edits in August of 2010. While there was no formal call or in-person meeting, the team was convened via email to identify and resolve issues associated with the draft responses. [See e-mails contained in Exhibit 1B.](#)

Additionally, the Standards Committee directed that the team be convened via conference call to meet with the chair of the Resources Subcommittee and discuss if there were any ways to interpret the standard as desired while staying within the “four corners” of the standard. That conference call occurred on September 15. There was no agreement how to interpret the standard as desired while staying within the “four corners” of the standard, and subsequently, the Standards Committee suspended the work effort until such time as a more detailed process for reviewing interpretations could be developed. [See e-mails contained in Exhibit 1C.](#)

Respondent Identity (ies): Andy Rodriquez

Date: March 14, 2012

Request 2: What industry and/or NERC personnel made up the IDT?

Response 2 :

The team that responded to the RFI included the chair of the Balancing Authority Controls Standard Drafting Team (BACS DT), Larry Akens (TVA), and four additional SDT members-Gerry Beckerle (Ameren), Guy Quintin (HQ), Raymond Vice (SoCo), Howard Illian (Energy Mark), with Andy Rodriquez (NERC) serving as the staff facilitator. There was no designated chair of this group.

At the point in time when the standards staff formed the team, the Reliability Standards Development Procedure in effect (version 6.1) did not require the formation of a formal "Interpretation Drafting Team" in the same manner as required for the formation of a standard drafting team. The interpretation process in effect in 2009 simply stated: *"The standards process manager will assemble a team with the relevant expertise to address the clarification."* NERC's standards staff had adopted a practice of seeking volunteers from an existing relevant SDT (and only if no drafting team was in place and working in the subject area, then seeking recognized experts from the industry at large). In this case the standards staff used members of the BACS DT, the team that already had responsibility for proposing modifications to BAL-002. **See Exhibit 2, pages 26-27.**

Respondent Identity(ies): Andy Rodriquez

Date: March 2, 2012

Request 3: What accounted for the Standards Committee placing the RFI on hold (in October 2010) and the delay in processing the RFI prior to the Standards Committee 2011 action to place on hold pending Interpretations?’

Response 3:

A series of events led up to the Standards Committee (SC) placing the RFI on hold.

The ballot for the interpretation completed on February 26, 2010.

At the March 11, 2010 and April 14-15, 2010 Standards Committee meetings, NERC staff reported the following as part of the routine “Interpretation Summary” that was regularly presented to the members **(see Exhibits 3A and 3B):**

The initial ballot has concluded. The team will be considering next steps and consulting with NERC leadership.

During that time, staff analyzed the request based on guidance from the Board of Trustees (BOT) and developed a recommendation no further effort be spent on the interpretation, instead allowing the BACSDT to use that energy to rewrite the standard. Following those analyses, the following information was reported to the Standards Committee as part of that same report:

The initial ballot only achieved a 48.6 approval rate. Most comments focused on the compliance elements of the standard or otherwise suggested that the team add to the standard beyond what is currently written. Staff recommends that no further effort be spent on this interpretation, instead allowing the BACSDT to use that energy to rewrite the standard.

This recommendation was provided as part of the “Interpretation Summary” presented at the May 10, 2010 Standards Committee meeting; the July 14-15, 2010 Standards Committee meeting, the August 12, 2010 Standards Committee meeting; and the September 9, 2010 Standards Committee meeting. **See Exhibits 3C, 3D, 3E, and 3F.**

Concurrently, the members of the team that worked on the interpretation were also meeting and working with other members of the BACSDT to draft a standard to replace BAL-002. **See e-mails in Exhibit 3G.**

In August of 2010, the staff coordinator developed an initial set of comment responses, and asked the team to review them. The team proposed modifications, and the updated responses were confirmed and submitted for posting. Discussion at that time was that the rules would not allow us to address the interpretation unless we modified the standard, and replacement of BAL-002 was already underway with the BACSDT. **See e-mails contained in Exhibit 1B.**

The September 2010 SC agenda included action on the standards staff’s recommendation regarding the Northwest Power Pool (NWPP) RFI **(see Exhibit 3H)**. The standards staff included the following recommendation on behalf of the team:

The drafting team does not believe that further clarification can be made without making modifications to the language of the standard. Accordingly, and consistent with the board's resolutions, NERC staff recommends that the issues raised in the interpretation be addressed in the work already underway to modify BAL-002 in Project 2010-14–Balancing Authority Reliability-Based Control.

During the September 2010 SC meeting, members of the Resources Subcommittee indicated disagreement with the conclusions of the team and the recommendation of the standards staff. The September 2010 SC meeting minutes include the following (see Exhibit 3I):

NWPP Interpretation Update

Jason Marshall motioned to ask the Interpretation Drafting Team to review its work and reconsider additional input from the Resources Subcommittee (RS) chair in assessing the feasibility of drafting an interpretation to address the NWPP Request for an Interpretation and provide a report to the Standards Committee for review during its October 13-14, 2010 meeting.

–The motion was tabled.

The Standards Committee asked that Terry Bilke (chair of the RS) consult with the Interpretation Drafting team and provide a report for the Standards Committee to review during its October 13-14, 2010 meeting.

That meeting occurred on September 15, 2010. No consensus alternative was developed, but the RS chair independently developed a separate proposal that was shared with the members of the RS. See e-mails contained in Exhibit 1C.

Prior to the October 2010 SC meeting a stakeholder contended to the SC officers that NERC staff had improperly managed processing this interpretation, and asked the officers of the SC to review the effort. The SC officers met with the Vice President and Director of Standards to review the process of developing interpretations. As a result of their findings, during the SC's October 2010 meeting (see Exhibit 3J), SC Vice-Chair Ben Li proposed and the SC approved the following motion:

Ben Li motioned to table action on the NWPP's request for an interpretation until a more detailed procedure for processing interpretations is developed and approved and motioned that staff withhold processing any new requests for interpretation until the procedure for processing interpretations is in place.

During the same October 2010 SC meeting the co-chair of the SC's Process Subcommittee made the following report:

Working on a revision to the Interpretation Procedure that reflects the Board's November 2009 guidance, the language in the Standard Processes Manual and the guidance provided by the SC Executive Committee relative to increasing transparency by posting the drafting team roster, assigning a stakeholder to chair the interpretation drafting team, and by posting meeting agendas and notes. The subcommittee plans to bring a procedure for the Standards Committee to approval for posting for stakeholder comment at its January meeting.

The January 2011 SC meeting agenda shows that the SC's Process Subcommittee produced a draft procedure for processing interpretations; however, due to inclement weather, the two-day face-to-face meeting originally scheduled was reduced to a conference call, with several items, including action on the procedure for processing interpretations, deferred for a later meeting. **See Exhibit 3K.**

The February 2011 SC meeting agenda shows that the SC's Process Subcommittee provided a draft procedure for processing interpretations with the intent to seek SC approval. The February 2011 SC meeting minutes show that the SC removed approval of the subject procedure from the agenda. **See Exhibits 3L and 3M.**

The March 2011 SC meeting agenda shows that the SC's Process Subcommittee provided a draft procedure for processing interpretations with the intent to seek SC approval. The same agenda shows the inclusion of a table showing all outstanding interpretations. The March 2011 SC meeting minutes show that the SC approved the draft procedure for "trial use" with a final version to be presented at the April 2011 SC meeting. **See Exhibits 3N and 3O.** Note that the draft procedure included the following language in support of the guidance provided by the NERC board in November 2009:

From the *Conditions* section of the draft procedure:

Only the requirements of a standard can be interpreted in response to a request for interpretation. Questions on other standard elements, including Applicability, Measures, Compliance Elements, Violation Risk Factors, Violation Severity Level, etc. are related to compliance and registration, and may be addressed by reviewing guidance provided on the Compliance section of the NERC website. If an issue has not been addressed through previously-issued compliance guidance, the question may be submitted to cancomments@nerc.net.

From the procedure, which indicates that the Director of Standards Process shall take the following step:

- Verify that the request is valid in accordance with the criteria stipulated in the Conditions Section of this document.

The April 2011 SC meeting agenda shows that the standards staff provided a table showing all outstanding interpretations and a proposed disposition of those interpretations based on the application of the SC's Interpretation Procedure. The April 2011 SC meeting minutes include a table showing the results of the SC's deliberation on appropriate action relative to each interpretation. **See Exhibits 3P and 3Q.** For the interpretation of BAL-002, the SC directed the following actions:

Notify requester that this is not a valid request for interpretation and advise requester of other options for seeking clarification, including requesting a CAN; indicate option to bring a complaint to the SC and if not satisfied, file an appeal.*

**Defer action pending outcome of NERC Board of Trustees Standards Oversight and Technology Committee (BOTSOTC) discussion concerning what constitutes "strict construction." (See below)*

The meeting minutes also include the following:

Staff agreed to work with the Standards Committee officers in developing a letter for distribution to entities with interpretation requests that are being rejected. These letters will include the reason for the rejection, availability of the CAN process, availability of bringing a complaint to the Standards Committee, and a reminder of the appeals process.

During the April 2011 meeting the SC approved three process documents relative to Interpretations:

- [Procedure: Processing Requests for an Interpretation](#)
- [Request for an Interpretation Form](#)
- [Guidance for Interpretation Drafting Teams](#)

The following text is from the Procedure for Processing Requests for an Interpretation:

When a requirement of an approved Reliability Standard is unclear, and the lack of clarity or an incorrect interpretation could result in a direct, material reliability impact to the requesting entity.

As stated in the Standard Processes Manual at page 27, an entity may only request an interpretation of a requirement of a Reliability Standard. Requests for clarifications of other Reliability Standard elements, including Applicability, Measures, Compliance Elements, Violation Risk Factors, Violation Severity Level, etc. are handled outside the interpretation process and must be raised through another NERC or regulatory vehicle. Entities with these questions should first review guidance provided on the Compliance section of the NERC website.

The [May 2011 BOT SOTC agenda](#) item 4b sought additional clarity on the board's intent of the term, "strict construction." The [May 2011 BOT SOTC meeting minutes](#) include the following, but do not include any additional clarity:

Further, Mr. Schrayshuen led a discussion and requested further guidance with respect to the determination of the boundaries associated with the term "strict construction."

The [May 2011 SC meeting agenda](#) (held two days following the May 2011 BOT SOTC meeting) shows that the table of outstanding interpretations was provided to the SC, but was not yet updated to reflect that the May 2011 BOT SOTC meeting did not result in any additional guidance on the term, "strict construction."

The [June 2011 SC meeting agenda](#) shows the status of all interpretations (Item 3d) and indicates the letter to NWPP (to inform them that their request for an interpretation was considered invalid) was still under review. The [June 2011 meeting minutes](#) show that staff reported that letters were sent to all requesters with interpretations not moving forward (note that staff later discovered that, while staff sent letters to other requesters, staff failed to send a letter to NWPP. This omission was not intentional). **See Exhibits 3R and 3S.**

Respondent Identity(ies): Maureen E Long; Andy Rodriquez

Date: February 27, 2012; March 14, 2012

Request 4: Do the Standards Committee Agendas correctly indicate that NERC considered the RFI an invalid request, and if so, why?

Response 4:

Yes, the SC agendas correctly indicate that NERC's standards staff considered the RFI an invalid request and the SC meeting minutes identify that the SC supported that recommendation.

Note that the standards staff and the SC had treated the NWPP RFI as valid until February 2010. However, following the ballot, the team had concluded it could not reach consensus on some aspects of the RFI without either using the compliance elements of the standard or by modifying the requirements in the standard, and determined the better course was to modify the standard.

The following language is from the September 2010 SC agenda item 6a **(see Exhibit 3H)**:

The drafting team does not believe that further clarification can be made without making modifications to the language of the standard. Accordingly, and consistent with the board's resolutions, NERC staff recommends that the issues raised in the interpretation be addressed in the work already underway to modify BAL-002 in Project 2010-14 – Balancing Authority Reliability-Based Control.

The standards staff and SC had originally treated the RFI as valid because the answer to the questions asked by the requester appeared to be contained within the body of the standard. However, the board's guidance related to interpretations (received after the RFI was accepted; **see Exhibit 1A, pages 3-4**) modified the scope of valid requests for interpretation to questions about requirements, and prohibited answering questions about specific applications. In light of the board's guidance, the standards staff viewed the request for interpretation as asking for a ruling on a specific application of the standard that included clarity of language embedded in the compliance elements of the standard—something the board's guidance seemed to prohibit.

Respondent Identity(ies): Maureen E Long; Andy Rodriquez

Date: February 27, 2012; March 2, 2012

Request 5: Was an official Interpretation Drafting Team formed in accordance with the Process?

Response 5:

No. None was required. When the request for interpretation of BAL-002 was received, the interpretation process in place under version 6.1 of the Reliability Standards Development Process only required staff assemble a group of stakeholders to form a team to respond to the request; the process did not require a formal selection process. Unlike the process used to develop standards, the process did not include sufficient time to accomplish a formal nomination and selection process. **See Exhibit 2, pages 26-27.**

The coordinator selected five members from the BACS DT. The work of this drafting team included making revisions to BAL-002 (the subject standard).

Respondent Identity(ies): Andy Rodriguez

Date: March 2, 2012

Request 6: Why was there no recirculation ballot?

Response 6:

The initial ballot achieved only a 48.60% weighted segment approval – indicating that stakeholders did not support the interpretation as originally written. A recirculation ballot was not an option because under the rules a team responding to an interpretation could not make any significant changes to the interpretation to improve the ballot results without revising the interpretation, and the team reported that it couldn't revise the interpretation in a way that would meet stakeholder approval without either expanding on the language in the requirements or relying on language found in the compliance section of the standard. Relying on the compliance information within the standard seemed to be in conflict with the guidance from the board. **See Exhibits 6A and 3H.**

Respondent Identity(ies): Maureen E Long

Date: February 27, 2012

Request 7: Why was this RFI placed on hold for 8 months (Oct 2010)?

Response 7:

The RFI was not placed on hold for eight months. Please see the response to question 3, where detailed information, including a summary of the activities ongoing during the time period in question, has been provided.

Respondent Identity(ies): Andy Rodriquez

Date: March 2, 2012

Request 8: Why was there no activity for over 1 year (i.e., until May 2011 when the SC placed a hold on all Interpretations)?

Response 8:

There were activities ongoing during that time. Please see the response to question 3, where detailed information, including a summary of the activities ongoing during the time period in question, has been provided.

Respondent Identity(ies): Andy Rodriguez

Date: March 2, 2012

Request 9: Why does NERC consider this RFI an invalid request? Who notified the requestor and why?

Response 9:

When comparing the request for interpretation against the Standards Committee's procedure for processing interpretations (see Exhibit 9) and the 2009 guidance provided by the board (see Exhibit 1A, pages 3-4), the standards staff recommended this interpretation be labeled as invalid because the request:

1. Asks not only for clarification of a requirement, but also asks for clarification of information contained in the compliance section of the standard.
2. Asks for a judgment of compliance outcome.
3. Asks not, "What does this requirement mean?" but asks, "How does this requirement apply to my particular facts and circumstances?"

At its April, 2011 meeting, the Standards Committee directed that staff "...Notify (the) requester that this is not a valid request for interpretation and advise (the) requester of other options for seeking clarification, including requesting a CAN; indicate (the) option to bring a complaint to the SC and if not satisfied, (to) file an appeal." See Exhibit 3Q. Unfortunately, the actual notification was inadvertently not sent as requested, and this error was not discovered for several months. NERC staff sent notification to the requestor on January 31, 2012.

Respondent Identity(ies): Maureen E Long, Andy Rodriguez, Laura Hussey

Date: February 27, 2012; March 2, 2012

Request 10 - Why are there no records on the above?

Response 10:

The standards staff publicly posts all SC meeting agendas and meeting minutes, and these documents clearly document the SC's actions with respect to the NWPP RFI. However, for this particular project, there was no formal roster posted and no meeting agendas or meeting minutes. When the team drafted this interpretation, the standards staff managed interpretations informally. Under version 6.1 of the Reliability Standard Development Procedure, a team drafted an interpretation, posted the interpretation for a 30-day pre-ballot review without any comment period, and then a ballot pool balloted the interpretation. Since there was no comment period, there was no expectation that the drafting team would need to meet over a long period of time. **Please see Exhibit 2.**

Since that time, the SC has implemented more formal steps for processing interpretations and now appoints a team and requires staff to post rosters and meeting notes. In addition, the standards staff has added a web page to show the disposition of interpretations that fail ballot, are rejected, or have their processing curtailed.

Much of the key status information related to this RFI is contained in the SC agendas, status reports, and meeting minutes. The SC does not typically discuss the details of individual items on status reports, so the agendas and meeting notes simply make reference to those status reports. The SC meeting minutes contain a record of SC actions. All meetings of the SC are open to all interested parties, and the SC members represent stakeholders, and routinely add agenda items to the monthly meetings to address stakeholder concerns. The standards staff provides a monthly report on the status of all outstanding interpretations to the SC and posts the same report on the *Standards under Development* web page.

Respondent Identity(ies): Maureen E Long; Andy Rodriguez

Date: February 27, 2012; March 2, 2012

Minutes Board of Trustees

November 5, 2009 | 8–11 a.m.
The Ritz Carlton
181 Peachtree Street, Northeast
Atlanta, GA 30303
(404) 659-0400

Chairman John Q. Anderson called to order a duly noticed meeting of the North American Electric Reliability Corporation Board of Trustees on November 5, 2009 at 8 a.m., local time, and a quorum was declared present. Chairman Anderson provided an update on the NERC CEO. The announcement, agenda, and list of attendees are attached as **Exhibits A, B, and C** respectively.

NERC Antitrust Compliance Guidelines

David Cook, vice president and general counsel, directed participants' attention to the NERC Antitrust Compliance Guidelines included in the agenda.

Executive Session

Chairman Anderson reported that, as is its custom, the board met in executive session before the open meeting, without the chief executive officer present, to review management activities.

Consent Agenda

On motion of President and CEO Rick Sergel, the board approved the consent agenda, as follows:

Minutes

The board approved the following draft minutes (**Exhibit D**):

- [August 5, 2009](#)
- [October 16, 2009](#)

Committee Membership Appointments and Changes

The board approved the proposed appointments and changes to the membership of the standing committees. The board also approved the proposed change to the OC committee charter. (**Exhibit E.**)

Future Meetings

The board approved November 3–4, 2010 (W–Th) in Atlanta, GA as a future meeting date and location, as well as noting the May 2010 meeting dates and location have been changed to May 11-12, 2010 in Baltimore, MD.

President’s Report

Rick Sergel’s last report focused on the reality of the necessity of ensuring the reliability of the bulk power system. As stated in his report: “The loss of the reliable delivery of electricity to our homes and businesses has got to be near the top—and I would argue above the loss of any of our other critical infrastructures.”

Mr. Sergel noted that at a very basic level, we rely on electricity-dependent technology to communicate, to learn, to work, and to play. Electricity enables national security, mobility, health care, finance, manufacturing and entertainment. It is so engrained into our way of life that we take it for granted at every turn. We are way beyond the light bulb.

Further, Mr. Sergel stated: “The progress of society has been possible because of your demonstrated ability to keep the lights on, all day, every day. You have operated the system reliably for decades, and there is no doubt in my mind that we can continue to do so for many years to come. You are the victims of your own success.”

Mr. Sergel then addressed the next task, which is to appropriately identify the next list of issues that must be addressed. Issues such as CIP-002—the identification of critical assets and critical cyber assets across the system, as well as transmission siting, climate legislation, the integration of variable generation, “smart” grid, workforce issues, and reactive power.

Mr. Sergel ends his report with this thought:

It is my vision that this organization would continue to provide leadership and take responsible positions on the many issues facing our industry in the months and years to come. The self-regulatory model is an incredibly powerful concept. Don’t lose sight of what we’ve built together over the past four years. We are able to do things at NERC that no other organization can do—we have the capacity to build consensus within an incredibly diverse industry. We have the support of and access to literally thousands of experts across North America. We’ve developed an independent voice and a high degree of credibility with policy makers and the media. When NERC speaks, people listen.

Stay true to the mission of ensuring reliability. Build and operate a system that continues to serve this organization’s true stakeholders—the people of North America—so they can continue to take us all for granted for many years to come.

Mr. Sergel’s complete report is attached as **Exhibit F**.

Status of 2009 Goals and Objectives

Rick Sergel provided an update on the 2009 Goals and Objectives and suggested to the board that this be an ongoing agenda item at future meetings and that it be a parallel effort with the Member Representatives Committee so they may provide advice at their meetings and/or on calls as well. Chairman Anderson requested the Secretary note the suggestion.

Reliability Standards

Maureen Long, standards process manager, gave a presentation on the Reliability Standards Program (**Exhibit G**) and presented the following items for board action.

Interpretations

Following extended discussion of the several interpretations up for consideration, as well as the procedures for consideration of interpretations, on motion of Rick Sergel, the board adopted the following resolution:

WHEREAS, the NERC Board of Trustees has considered the record of development of a number of proposed interpretations of reliability standards, the discussion and recommendations from the November 4, 2009 conference on interpretations, and the recommendation of NERC management,

RESOLVED, that the NERC Board of Trustees approves the following proposed interpretations of Reliability Standards:

1. Interpretation of Requirement 1 of PRC-005-1
2. Interpretations of Requirement R3 of TOP-005-1 and Requirement R12 of IRO-005-1
3. Interpretation of Requirement R2 of CIP-007-1
4. Interpretation of Requirement R1.3.10 of TPL-002-0
5. Interpretation of Requirements R2 and R8 of MOD-001-1 and Requirements R5 and R6 of MOD-029-1;

FURTHER RESOLVED, that the NERC Board of Trustees provides the following guidance regarding interpretations and the interpretations process:

- a. In deciding whether or not to approve a proposed interpretation, the board will use a standard of strict construction and not seek to expand the reach of the standard to correct a perceived gap or deficiency in the standard;
- b. It is the expectation of the board (i) that when work on an interpretation reveals a gap or deficiency in a reliability standard, stakeholders will take prompt action to address the gap or deficiency in the standard and (ii) that the time and effort expended on the interpretation should be a relatively small proportion of the time and effort expended on addressing the gap or deficiency;
- c. Priority should be given to addressing deficiencies or gaps in standards that pose a significant risk to the reliability of the bulk power system — addressing the gaps and deficiencies identified in Reliability Standard PRC-005 should be given such priority, and the Standards Committee should report on its plans and progress in that regard at the board's February 2010 meeting;

- d. The Standards Committee should ensure that the comments by NERC staff and other stakeholders on the proposed interpretations are considered by the standard drafting team in addressing any identified gaps and deficiencies, with a report back to the board on the disposition of those comments;
- e. The number of registrants that might end up in non-compliance or the difficulty of compliance are not appropriate inputs to an interpretation process, although those inputs may well be appropriate considerations in a standard development process and development of an implementation plan;
- f. Requests for a decision on how a reliability standard applies to a registered entity's particular facts and circumstances should not be addressed through the interpretations process.

Reliability Standards Development Procedure — Version 7

Following a presentation by Maureen Long of proposed revisions to the NERC standards development procedure and discussion by the trustees, on motion of Rick Sergel, the board adopted the following resolution:

RESOLVED, that the NERC Board of Trustees approves the proposed revisions set forth in Version 7 of the Reliability Standards Development Procedure.

Reliability Standards Development Plan: 2010-2012

Following a presentation by Maureen Long of the revised Reliability Standards Development Plan and discussion by trustees, on motion of Fred Gorbet, the board adopted the following resolution:

RESOLVED, that the NERC Board of Trustees approves the proposed 2010-2012 Reliability Standards Development Plan.

The board also endorsed the work of the ad hoc task force considering a risk-based approach to standards, encouraged the task force to continue its work, and asked for a further report at the February 2010 board of trustees meeting.

Project 2009-18 — Withdrawal of MISO Waivers

Following a presentation by Maureen Long regarding the MISO waivers issue, on motion of Ken Peterson, the board adopted the following resolution:

WHEREAS, Reliability Standards INT-003-2 — Interchange Transaction Implementation and BAL-006-1 — Inadvertent Interchange contain certain waivers previously granted to the Midwest Independent System Operator; and

WHEREAS, the Midwest Independent System Operator has become a Balancing Authority and has stated it no longer needs those waivers; and

WHEREAS, it is now appropriate to withdraw those waivers by adopting revised Reliability Standards,

RESOLVED, that the NERC Board of Trustees approves the proposed Reliability Standards INT-003-3 — Interchange Transaction Implementation and BAL-006-2 — Inadvertent Interchange.

Errata Change — FAC-010-2: WECC Regional Difference

Following a presentation by Maureen Long regarding an error in a WECC regional reliability standard, on motion of Paul Barber, the board adopted the following resolution:

RESOLVED, that the NERC Board of Trustees approves the proposed errata change to the WECC Regional Difference, as set forth in Reliability Standard FAC-010-2.1 — System Operating Limits Methodology for the Planning Horizon.

Status of Standards Projects

Maureen Long provided an update of a number of significant reliability standards projects.

Compliance and Certification Committee (CCC) Matters

Mr. Clay Smith, Vice-Chair of the Compliance and Certification Committee, provided a report and requested board approval of the following matters (**Exhibit H.**)

CCC Annual Work Plan for 2010

On motion of Paul Barber, the board approved the following resolution:

RESOLVED, that the NERC Board of Trustees approves the proposed Annual Work Plan for 2010 of the Compliance and Certification Committee.

CCCPP-010 – Criteria for Annual Regional Entity Program Evaluation

On motion of Jan Schori, the board approved the following resolution:

RESOLVED, that the NERC Board of Trustees approves proposed CCCPP-010 – Criteria for Annual Regional Entity Program Evaluation.

Revision to CCCPP-007 – Monitoring Program for NERC’s Adherence to NERC’s Rules of Procedure for Organization Registration and Certification

On motion of Tom Berry, the board approved the following resolution:

RESOLVED, that the NERC Board of Trustees approves the proposed revision to CCCPP-007 – Monitoring Program for NERC’s Adherence to NERC’s Rules of Procedure for Organization Registration and Certification.

Revisions to Rules of Procedure Section 500 and Appendix 5

Following discussion among the trustees, on motion of Ken Peterson, the board approved the following resolution:

RESOLVED, that the NERC Board of Trustees approves the proposed revisions to Section 500 and Appendix 5 to the Rules of Procedure, provided, that the Executive Summary of Appendix 5 shall be further revised to include the following sentence at the end of the first paragraph:

Where a proposal for revisions to these processes comes to the Board of Trustees from sources other than the CCC, the Board of Trustees will seek the concurrence of the CCC before taking action on the proposal.

Revisions to NERC Rules of Procedure Sections 400, 700, 800, and 900 to Eliminate Reliability Readiness Program

David Cook requested board approval of revisions to NERC Rules of Procedure Sections 400, 700, 800, and 900 to eliminate references to the Reliability Readiness Program.

(Exhibit I.) On motion of Janice Case, the board approved the following resolution:

WHEREAS, in NERC's 2009 business plan and budget NERC proposed, for the reasons stated there, to eliminate its Readiness Evaluation and Improvement Program ("Readiness Program"); and

WHEREAS, on July 16, 2009, the Federal Energy Regulatory Commission approved the proposed elimination of the Readiness Program; and

WHEREAS, in light of the elimination of the Readiness Program, on September 11, 2009, NERC posted for comment in accordance with the provisions of Section 1400 of the Rules of Procedure a proposal to remove the references to the Readiness Program from the Rules of Procedure and received comments on the proposal; and

WHEREAS, the board has determined it is appropriate to remove references to the discontinued Readiness Program from the Rules of Procedure,

RESOLVED, that Sections 400, 700, 800, 900, and Appendix 7 of the Rules of Procedure are revised as proposed in Agenda Item 8.

Southwest Power Pool, Inc. Bylaw Change

David Cook reviewed and requested board approval of proposed changes to Southwest Power Pool, Inc's bylaws. **(Exhibit J.)** On motion of Fred Gorbet, the board approved the following resolution:

WHEREAS, on October 27, 2009, the Membership of Southwest Power Pool, Inc. ("SPP"), approved certain amendments to the SPP bylaws as set forth in Agenda Item 9 of the NERC Board of Trustees agenda for its November 5, 2009 meeting (the "Amendments"), in response to an order dated September 17, 2009 of the Federal Energy Regulatory Commission ("Commission"); and

WHEREAS, SPP has requested that NERC approve the Amendments and file them with the Commission for approval; and

WHEREAS, the NERC Board of Trustees finds that SPP followed appropriate procedures in adopting the Amendments and that the Amendments are consistent with SPP's obligations and responsibilities under the delegation agreement between NERC and SPP and otherwise meet the requirements set forth in 18 C.F.R. §39.10 of the Commission's regulations,

RESOLVED, that the NERC Board of Trustees approves the Amendments and directs that they be filed with the Commission for approval.

Transmission Forum

David Cook reviewed and requested board approval of a resolution that terminated the formal relationship between NERC and the Transmission Forum. Terry Boston responded to questions from trustees. Following further discussion, on motion of Fred Gorbet, the board approved the following resolution:

WHEREAS, on September 22, 2009 the members of the Transmission Owners & Operators Forum ("Forum") adopted a resolution pursuant to Section 8 of the Transmission Owners & Operators Forum Charter to (i) terminate the Forum as of December 31, 2009, (ii) reform itself as the North American Transmission Forum, Inc., ("NATF") and (iii) authorize and request the transfer of Forum assets from NERC to NATF; and

WHEREAS, the NERC Board of Trustees has determined that it is appropriate to facilitate the changeover from the Forum to NATF; and

WHEREAS, it appears that a significant year-end cash surplus is projected for the Forum and that in light of this projected surplus and at the Forum's request NERC has advanced \$50,000 of Forum funds to the Forum in connection with the start up of NATF; and

WHEREAS, the four existing NERC employees who are dedicated to providing services to the Forum will be terminating their employment with NERC effective December 31, 2009, with all costs of such termination being recorded as Forum expenses;

RESOLVED, that upon the effective date of termination of the Forum the Chief Executive Officer or Chief Financial and Administrative Officer of NERC is authorized to transfer any positive balance in the Forum account to NATF, subject to the Chief Financial and Administrative Officer's determination that all existing and projected personnel, administrative, contractual and other expenses associated with Forum activities have been satisfied or otherwise appropriately reserved for, including reserves for any future claims or liabilities directly or indirectly related to the business activities of the Forum.

One-Year Extension of Regional Delegation Agreements

David Cook reviewed and requested board approval of a one-year extension of Regional Delegation Agreements. On motion of Jim Goodrich, the board adopted the following resolution:

WHEREAS, the initial terms of the agreements between NERC and the Regional Entities by which NERC has delegated certain authority and responsibility to the Regional Entities currently expire in May 2010, as specified in section 11(b) of the respective agreements; and

WHEREAS, NERC and the Regional Entities have determined it is appropriate to consider and develop a number of changes to the currently effective delegation agreements and have begun a process to do so; and

WHEREAS, it will take an extended period of time to renegotiate the delegation agreements, obtain the approvals of the renegotiated agreements by the respective governing bodies of the Regional Entities and the NERC Board of Trustees, and file and obtain approval of the renegotiated agreements from the Federal Energy Regulatory Commission; and

WHEREAS, it is appropriate to extend the initial terms of the currently effective agreements, at their current terms and conditions, for an additional year to provide time to complete work on and obtain regulatory approval of the renegotiated agreements; and

WHEREAS, the Regional Entities have agreed to amendments to section 11(b) of their respective agreements to extend the initial terms of the currently effective agreements for an additional year, to May 2011,

RESOLVED:

- (1) that the NERC Board of Trustees approves amendments to section 11(b) of the delegation agreements with the Regional Entities to effect a one-year extension of the initial terms of such agreements, until May 2011, under the terms and conditions of the current agreements, and
- (2) that management shall file a request with the Federal Energy Regulatory Commission for approval of such amendments.

Creation of Additional Independent Trustee Position

David Cook reviewed and requested board approval of a resolution creating an additional independent trustee position, to be effective at the February 2010 meeting. (**Exhibit K.**) On motion of Ken Peterson, the board adopted the following resolution (Sharon Nelson abstaining):

WHEREAS, on October 14, 2009, the Federal Energy Regulatory Commission approved and made effective a proposed amendment to the NERC bylaws adding Article III, Section 1a, to give the board the authority to add, by resolution, an additional independent trustee to the board; and

WHEREAS, a resolution adding an additional independent trustee must be adopted no later than December 1 of the year preceding the election of that trustee; and

WHEREAS, the board has determined it is in the best interests of the Corporation and its Members that an additional independent trustee be added to the board at the February 2010 meeting of the Member Representatives Committee,

RESOLVED, that pursuant to the authority of Article III, Section 1a of the NERC bylaws, the number of independent trustees on the board is increased from ten to eleven, to be effective with the election of trustees at the February 2010 meeting of the Member Representatives Committee;

FURTHER RESOLVED, that the Board of Trustees Nominating Committee is directed to include a nominee for that new independent trustee position in the report it sends to the Member Representatives Committee in advance of the February 2010 election.

CIPC Guideline on Critical Assets

Barry Lawson, CIPC Chair, presented the CIPC Guideline on Critical Assets to the board for informational purposes and provided a brief overview (**Exhibit L**.)

Committee, Group, and Forum Reports

Compliance and Certification Committee

Clay Smith, Vice-Chair provided the report for the CCC. Mr. Smith advised that the CCC will be providing a report to the board on NERC's self-certifications during 2009. He also stated that the CCC has created a task force to research the current reliability metrics activities and determine the CCC's need for involvement and that the CCC has participated in a CMEP audit.

Critical Infrastructure Protection Committee

Barry Lawson reported that since the last Board of Trustees meeting the CIPC approved the critical asset guideline and continued to work on scheduling an in-person meeting between the CIPC Executive Committee and the ESSG for this year but was unsuccessful and it will now be held in early 2010. At their December meeting CIPC will vote on the election of the CIPC Executive Committee, the final approval of a time stamping guideline, and on the critical cyber asset guideline and whether it's ready to send for full industry review and comment. Finally, the CIPC will be meeting with Oil and Natural Gas coordinating councils, as well as the Government Coordinating Councils.

Member Representatives Committee

Chairman Steve Naumann reported to the board that the Member Representatives Committee (MRC) covered a number of major issues and priorities at its November 4 meeting. Also, the MRC elected new officers and for the first time the Chairman of the MRC is from Canada, Mr. Ed Tymofichuk. Mr. Naumann then took a moment to thank the Board of Trustees for their forbearance for the last year in trying to reach the same goals recognizing it was not always easy.

North American Energy Standards Board

Michael Desselle thanked Gerry Adamski and Andy Rodriguez for their assistance in leading the industry collaborative effort on a couple NERC and NAESB joint development efforts for their 2010 annual standards planning which is currently underway. Mr. Desselle reported that NAESB is on schedule with the remaining FERC tasks and is coordinating those deliverables with FERC. NAESB has become significantly involved in Smartgrid and is very engaged in the development of business practices specifically on scheduling and pricing models. From the involvement in Smartgrid, NAESB has created two Smartgrid advisory committees the Strategic Steering Committee and the Critical Infrastructure Steering Committee.

Finally, Mr. Desselle announced that his term as NAESB Chair has been fulfilled and he introduces the incoming Chair, Mr. Ralph Cleveland. Chairman Anderson thanks Mr. Desselle for his service and the positive collaboration between the Board of Trustees and NAESB.

Operating Committee

Chairman Sam Holeman reported that the OC is actively engaged in frequency activities and the analysis of the current state of frequency performance. The OC will be working with events analysis staff on any lessons learned in the area of frequency performance and will be discussing at their December meeting ways to get the technical lessons learned out quickly. Mr. Holeman reported that the Real-Time Application Phasor Measurement Units to Improve Reliability Taskforce has been established and a chair has been named. The OC will work with the PC to get liaison membership between the PC and this task force. The primary focus is to develop a report providing assessment of the current state in PMU implementation and then focus on short term improvements. Mr. Holeman and the OC expect an update at their December meeting and a first draft report out in early 2010. The OC is also working with the PC on the Smartgrid taskforce collaboration and establishing a liaison between the OC and this taskforce. OC is in the process of working with the Operating Reliability Subcommittee (ORS) on developing short term plans for the NERC management of reliability tools and is expecting a set of recommendations from the ORS at the December meeting. Lastly, the OC is actively engaged in the discussion on the standards interpretations process.

Personnel Certification Governance Committee

The Personnel Certification Governance Committee provided a written report which is attached as **Exhibit M**.

Planning Committee

Chairman Tom Burgess reported that the Planning Committee has been through the process of developing some very significant reports with the assistance from a wide array of volunteers and we wanted to express our appreciation for all the support and contributions. The PC is currently working on the Winter Assessment which was previewed at the prior day's meeting for board consideration. Mr. Burgess stated that the PC has initiated efforts with the Load Expectation Working Group to better consider locations within North America where there are energy constrained resources and how best to plan for those contributions; primarily hydro, solar and other type of resources.

The PC also made contributions in launching the Smartgrid taskforce and is supporting the collaboration of this taskforce with the OC.

Mr. Burgess discussed the Reliability Impacts of Climate Change Initiatives Task Force report and stated that this report is an important and complicated effort. The PC believes once this report is produced it will be the first of other reports that will be required to fully ascertain reliability implications of different forms of legislative constructs. Lastly, Mr. Burgess reviewed that much effort was put into metrics and for the first time metrics were integrated into the Long Term Reliability Assessment and seasonal assessments.

Regional Entity Management Group

Chairman Gerry Cauley reported that the Regional Entity Management Group (REMG) and the Regions would like to identify areas they believe the ERO could and should focus in addressing risk. The first is the continuation of focus on a rigorous compliance and enforcement program; second, collectively with the Regions encourage compliance excellence in self reporting and self assessment and promoting compliance culture, and lastly, provide transparency in the compliance outcomes and ensure that these outcomes are fed back the Registered Entities to help them understand and learn what is expected.

Mr. Cauley also reported that the REMG believes that focus needs to be placed on the small and medium events and how do we analyze those and push those out to the Regions so that they are part of learning opportunities instead of just compliance opportunities.

Mr. Cauley expressed the REMG's appreciation of the delegation agreement discussion and in receiving clarity on the delegation agreements and addressing stakeholder issues. And lastly, Mr. Cauley addressed CIP and the filing of the CIP survey results in terms of critical assets; that the Regions have been and will continue to help the industry and NERC grapple with the issue and in determining what the expected outcome is.

Standards Committee

Chairman Scott Henry reported that the Standards Committee (SC) received a letter dated October 1st from the Chairman requesting delivery at this meeting of a project plan which considers the role of NERC staff. After attending the Technical Conference on Interpretation of Standards, Mr. Henry stated that the SC would review and incorporate the information from this meeting and will plan to come back to board in February 2010 with any kind of recommendation to the Chairman's letter.

In reviewing the Three-Year Assessment the SC has identified two items for action; the first is the results-based standards and second is taking a look at the processes. The SC is working on both items expeditiously.

Mr. Henry brought to the attention of the board there being similar wording in the 2010 budget order that was within the 2009 budget order. NERC sought clarification of the wording within the 2009 budget order. Mr. Henry asked if NERC will need to seek clarification on the wording in the new budget order. Mr. Sergel responded with his understanding is if the clarification was sought previously and wording was same that clarification would not need to be sought again; however he will go back and determine if something was stated in a different way.

Lastly, Mr. Henry announced that his replacement has been elected and this will officially be his last meeting. He extends his appreciation to the board and stakeholders for all their support.

Transmission Owners and Operators Forum

The Transmission Owners and Operators Forum report was addressed earlier in the Agenda.

Electricity Sector Steering Group

Trustee Janice Case reported that the ESSG is continuing its work on the charter to determine the appropriate roles between all the various committees that provide policy inputs and information on the whole area of cyber security issues. The ESSG will be holding a closed meeting to discuss several sensitive items from Mike Assante. Also, the ESSG will continue to work on the meeting date with the CIPC and hopes to have that scheduled in the early part of the year.

In closing, Ms. Case stated that the ESSG has provided a significant amount of input to NERC but most specifically for the upcoming HILF Workshop and that the ESSG will continue after the workshop to look at the report and assign next steps from there.

FERC

Joe McClelland commended Rick Sergel on his exemplary leadership and for his President's Reports, which he believes have consistently provided a succinct summary of where the industry is today. Mr. McClelland also expressed his appreciation for the Technical Conference on Interpretation of Standards.

Board Committee Reports

Corporate Governance and Human Resources

Chair Sharon Nelson reported the committee met via conference call on October 28, 2009 to review their fourth quarter of activities and in accordance with committee mandates the CGHRC and all board committees will complete self-assessments for 2009. The self-assessments will be structured the same as in 2008.

Ms. Nelson stated that the committee is working with the MRC leadership in developing an appropriate questionnaire to extend the self-assessment by the board to include an assessment by the MRC as well. As this will take considerable time it is an item that will be undertaken and continued by the incoming CGHRC Chair. The CGHRC also reviewed and approved changes to NERC's Code of Conduct; the principal change was with respect to the use of NERC's computer resources. The call ended with a Human Resources Activities report by Ms. Julie Morgan.

Following her review, Ms. Nelson moved to approve the Finance and Audit Committee and Technology Committee mandate revisions (**Exhibit N**), and the board approved the motion.

Ms. Nelson ended her report with commending Rick Sergel for his exemplary leadership.

Compliance

Chairman Paul Barber provided a brief report, stating the focus since the last meeting has been compiling and filing the Omnibus package both of which were accomplished. Chairman Barber stated that the numbers reviewed at the Compliance Committee meeting did not reflect this filing but the new numbers received for October would incorporate the Omnibus filing. The Compliance Committee will review these numbers in great detail and continue to move things forward.

Finance and Audit

Chairman Bruce Scherr reported that during the Finance and Audit Committee (FAC) open session on November 2 the committee:

- Reviewed a proposed change to the FAC Mandate to transfer responsibility for the annual review of the corporation's computer systems to the Technology Committee. The FAC will continue to have oversight of the financial aspects of the corporation's computer systems through its oversight of the annual business plan and budget.
- The Committee reviewed and approved the 3rd quarter statement of activities of the corporation and the Regional Entities. Both NERC and the Regional Entities have been making efforts to control and manage costs and have various initiatives underway to review further opportunities to improve efficiency and reduce costs. On motion by Mr. Scherr, the board approved the 3rd quarter statement of activities.
- The Committee then reviewed a summary of the various approaches to working capital by NERC and the Regional Entities, including some supplemental background information. NERC management and the Committee will continue to review these approaches in the future, recognizing that they are primarily driven by the specific cash flow needs of each entity.

- The Committee held a discussion regarding NERC's cash management practices. NERC currently maintains all of its cash in a sweep account with PNC Bank which earns very little interest. After some discussion the Committee authorized management to invest funds in treasuries, pending the development of a formal investment policy which management will prepare and present to the Committee and the Board at their meeting in February.
- The Committee reviewed a summary of WECC's funding requests to the US DOE for a major synchrophaser project and planning study. The Board materials include a summary of these applications. The first portion of the grant application, which was recently approved by the DOE, consists of a total of \$107.8 million, with the DOE funding \$53.9 Million and industry funding the balance. The second is a request for \$16.4 Million to undertake an interconnection-level transmission analysis and planning study. This application is currently pending at the DOE. Once WECC receives all of its necessary approvals it will be preparing an amendment to its 2010 Business Plan and Budget and seeking approval of that amendment by this Board and the FERC. The amendment should not affect assessments. No action is requested of the Board at this time. However, it's likely WECC may request budget amendment approval on an expedited basis and prior to the February meeting.
- The Committee then reviewed a summary of FERC's approval of the 2010 business plans and budgets for NERC and the Regional Entities, including some follow up filing requirements which NERC staff and the staffs of the Regional Entities are working on. FERC found the business plan to provide sufficient detail to determine whether each statutory area was appropriately funded and found the costs reasonable and equitably allocated among end users. FERC also commended NERC and the Regions for the ongoing efforts to standardize accounting methodologies.
- NERC staff and the Regional Entities will continue to work closely together to look for additional ways to improve efficiency and control costs, with due recognition of their responsibilities in helping to ensure the reliability of the bulk power system. This includes work that the Regional Entities are doing in connection with the review and refinement of the delegation agreements.
- Mike Walker also reminded the committee that NERC management is continuing to evaluate resource needs related to 706B requirements, TFE processing, Situational Awareness and Cyber Security as the nature and timing of additional program requirements become more certain. Management will report back to the FAC at its next meeting in terms of any potential incremental budget impacts and assuming there are any, alternative ways to address them. He also requested that each of the NERC committees also consider the budget impacts of various initiatives they consider to make sure the nature and timing of these impacts are appropriately considered given the level of funding that has been authorized for 2010 and existing resource demands.

- The final item the Committee reviewed concerned a recommendation on the retention of a new outside auditor. The Committee provided guidance and authorized management to proceed with the selection of a firm. The auditor will also be reviewing, making recommendations and assisting NERC on its internal controls functions.

Technology

Chairman Jim Goodrich reported that the committee met via conference call on October 27, 2009 and received an update on the Smartgrid activities including the Department of Energy's recent Smartgrid awards and NERC's formation of a Smartgrid taskforce. The Committee also received an update on the North American Synchro Phasor Initiative's activities and learned of the formation of a new operating committee working group that is tasked to improve the pace of the Synchro Phasor implementation across the industry.

Chairman Goodrich stated that the committee is encouraged by the many awards the Synchro Phasor Initiative received from the Department of Energy.

The Committee also provided feedback to NERC staff on its proposal for a new Reliability Tools Division of NERC and the committee offered their strong support in moving forward with this division.

Lastly, the Committee approved the revision to the Committee's mandate as referenced in the CGHRC report.

Nominating

Chairman Ken Peterson reported that the Committee hired Bob Shields of Spencer and Stuart to develop a list of candidates to fill the two open Trustee seats and further stated that Mr. Shields compiled a very long list through input from stakeholders and various contacts. The Nominating Committee reviewed and developed a short list of candidates for interviews to be conducted in early December. The Committee feels they have an excellent slate of candidates for the open trustee positions to be filled in February.

Closing Remarks

Chairman Anderson on behalf of the board expressed appreciation to Sharon Nelson and Rick Sergel for their tenure on the board and offered best wishes in their future endeavors.

Adjournment

There being no further business, Chairman Anderson terminated the meeting at 11:50 a.m.

Submitted by,



David N. Cook
Corporate Secretary

From: [Andy Rodriguez](#)
To: [Akens, Larry G](#); [Howard Illian](#); GBeckerle@ameren.com; Quintin.Guy@hydro.qc.ca
Subject: RE: NWPP Interpretation
Date: Monday, August 09, 2010 10:32:00 AM

Hi guys –

You may recall that about 9 months ago, I asked you four (plus Raymond Vice) to serve as the Interpretation team for the NWPP Request for Interpretation of BAL-002. We reviewed and discussed the RFI and developed an interpretation that answered the questions based on the language in the standard. The interpretation followed what was in the standard, but was largely unpopular as it did not go as far as entities wanted it to go. A link to the Interpretation is here: http://www.nerc.com/filez/standards/Project2009-19_Interpretation_BAL-002-0_NWPP.html

It was my understanding that we had completed this item by responding to the SC that we could not resolve the comments received without making changes to the standard. However, it looks like the SC would like to see a set of formal responses to those comments. I have drafted a set of preliminary responses. In general the responses can be summarized as follows:

- 1.) Although everyone seems to agree that a single event that is larger than the studied MSSC should be excluded from compliance, there is no such exclusion specified in the standard. As such, we cannot give one through the Interpretation process.
- 2.) The Measures and Compliance elements are not part of the requirement, and cannot be considered as such. Therefore, until the rules and exclusions specified in the Measures and Compliance elements are moved into the requirements, they can only be considered as guidance to the CEA. In other words, it is impossible to say how the CEA will interpret compliance, as they have discretion in this area, and it is up to them to determine what is or is not a violation.
- 3.) Modifying the standard (to put the >MSSC and exclusions in the requirement) is the only real way to address the concerns expressed in the Request for Interpretation. This is currently being worked on (now in the BARC team).

Can you please review these ASAP and let me know if you have any concerns? I know that this is an unpopular answer, but I do not see any valid option to address these comments in a way that will make the Interpretation acceptable.

Andy Rodriguez
Manager, Business Practice Coordination
North American Electric Reliability Corporation
Washington, D.C. Office: 202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net

From: [Akens, Larry G](#)
To: [Andy Rodriguez](#)
Subject: RE: NWPP Interpretation
Date: Monday, August 09, 2010 4:21:52 PM

I would interpret BAL-002-0, Requirement 3 as the BA or RSG is only required to comply with loss of supply contingencies that are less than or equal to their MSSC because Requirement 3 does not require them to carry contingency reserves in excess of their most MSSC. I think that has been a well accepted interpretation in the industry and the Compliance section provides additional insight and guidance. The interpretation we provided to NWPP is consistent with that interpretation with the caveat that the CEA makes the final determination of whether or not a violation of the standard has occurred.

I have reviewed your summary and in the process of reviewing your responses to the comments received. I agree that the exclusions currently in the Compliance section could be included in the Requirements sections. Our interpretation went into a lot of detail and supported excluding certain loss of supply events from compliance evaluation, however your responses state there are no such exclusions specified in the requirements section of the standard and the compliance section can only be considered as guidance to the CEA. I did not read that when reviewing the interpretation. I just wanted to make sure your responses were consistent with our interpretation.

From: Andy Rodriguez [mailto:Andy.Rodriguez@nerc.net]
Sent: Monday, August 09, 2010 10:33 AM
To: Akens, Larry G; Howard Illian; GBeckerle@ameren.com; Quintin.Guy@hydro.qc.ca
Subject: RE: NWPP Interpretation

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guidance to the CEA. In other words, it is impossible to say how the CEA will interpret compliance, as they have discretion in this area, and it is up to them to determine what is or is not a violation.

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andy.rodriquez@nerc.net

From: [Andy Rodriguez](#)
To: [Akens, Larry G](#)
Subject: RE: NWPP Interpretation
Date: Monday, August 09, 2010 4:28:00 PM

Larry –

I think the intent is to say there are no such exclusions for a SINGLE loss in excess of the MSSC. Not that there are none at all - I agree, the compliance section lists a lot of detail about multiple contingencies. Would it help if I changed that to say single “contingency?”

Also, on the guidance to the CEA – do you want me to make changes there to make it more like “the CEA makes the final determination of whether or not a violation of the standard has occurred.”

Andy Rodriguez
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andy.rodriquez@nerc.net

From: Akens, Larry G [mailto:lgakens@tva.gov]
Sent: Monday, August 09, 2010 4:22 PM
To: Andy Rodriguez
Subject: RE: NWPP Interpretation

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I have reviewed your summary and in the process of reviewing your responses to the comments received. I agree that the exclusions currently in the Compliance section could be included in the Requirements sections. Our interpretation went into a lot of detail and supported excluding certain loss of supply events from compliance evaluation, however your responses state there are no such exclusions specified in the requirements section of the standard and the compliance section can only be considered as guidance to the CEA. I did not read that when reviewing the interpretation. I just wanted to make sure your responses were consistent with our interpretation.

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Sent: Monday, August 09, 2010 10:33 AM

To: Akens, Larry G; Howard Illian; GBeckerle@ameren.com; Quintin.Guy@hydro.qc.ca
Subject: RE: NWPP Interpretation

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andy.rodriquez@nerc.net

From: [Andy Rodriguez](#)
To: [Andy Rodriguez](#); [Akens, Larry G](#); [Howard Illian](#); [GBeckerle@ameren.com](#); [Quintin.Guy@hydro.qc.ca](#)
Subject: RE: NWPP Interpretation
Date: Tuesday, August 10, 2010 1:12:00 PM

Hey guys – Larry and I had some discussion on this, and he thought adding more detail regarding the “single contingency in excess of the MSSC” issue would be helpful. Attached is an updated version that provides additional information on this issue.

Andy Rodriguez
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North American Electric Reliability Corporation
Washington, D.C. Office: 202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net

From: Andy Rodriguez
Sent: Monday, August 09, 2010 10:33 AM
To: Akens, Larry G; Howard Illian; GBeckerle@ameren.com; Quintin.Guy@hydro.qc.ca
Subject: RE: NWPP Interpretation

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From: [Howard Illian](#)
To: [Andy Rodriguez](#); ["Akens, Larry G"](#); GBeckerle@ameren.com; Quintin.Guy@hydro.qc.ca
Subject: RE: NWPP Interpretation
Date: Tuesday, August 10, 2010 1:57:06 PM

Andy,

I agree that the clarification that you provided is much better than what was initially written. It is also my opinion that the way the standard is being interpreted has changed since the standard was approved. As I remember, when these standards were approved, the requirements and measures held equal weight with respect to interpretation. That means that the standards as currently interpreted are different than the standards that were passed by the stakeholders. It appears that the only resolution to this problem is to initiate a SAR to correct the problems found as a result in this change in interpretation, and to modify the standard through the ANSI process. I believe that this work is in progress under the BARC SDT.

Howard F. Illian, President
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334 Satinwood Ct. N.
Buffalo Grove, Illinois 60089
Office: 847-913-5491
Cell: 847-910-9510

From: Andy Rodriguez [mailto:Andy.Rodriquez@nerc.net]
Sent: Tuesday, August 10, 2010 12:12 PM
To: Andy Rodriguez; Akens, Larry G; Howard Illian; GBeckerle@ameren.com; Quintin.Guy@hydro.qc.ca
Subject: RE: NWPP Interpretation

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North American Electric Reliability Corporation
Washington, D.C. Office: 202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net

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Cc: [Jason Marshall](#)
Subject: RE: NWPP Interpretation
Date: Thursday, September 09, 2010 4:30:00 PM

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Cc: ["Jason Marshall"](#)
Subject: RE: NWPP Interpretation
Date: Thursday, September 09, 2010 6:25:14 PM

Andy,

I am available any morning next week. I am only available on Tuesday and Wednesday afternoons.

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Date: Friday, September 10, 2010 8:43:54 AM

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Subject: RE: NWPP Interpretation
Date: Monday, September 13, 2010 10:27:00 AM

Terry,

Here is the drafted interpretation that was posted and balloted, as well as the drafted responses for the comments received with the ballot.

I have heard a couple of times that all NWPP really wants to know is if they have to carry more reserves than their MSSC. If they had asked this question, instead of the ones they did, I think this would be a very simple question to answer. R3.1 says that they have to carry at least enough to cover their MSSC – end of story. However, they asked three different questions that are more difficult to answer.

The major problems are as follows:

- 1.) In their first question, they ask if any contingency (irrespective of cause) exceeds the MSSC, then is it excluded from compliance evaluation?

As written, the standard assumes entities have correctly identified the MSSC, and therefore does not give any sort of exemption for single-contingencies in excess of the MSSC. Everyone today seems to think the standard only applies for Reportable Disturbances that are $\geq 80\%$ but $\leq 100\%$ of the MSSC. But if we read the glossary definition of Reportable Disturbance (or even the Measure), it says “greater than or equal to 80%.”

I think everyone would agree that the intent of the standard is “pick the correct MSSC, and then you are required to meet for 80% - 100%, inclusive. Failing DCS with an 80-100% of MSSC event would be a violation, and picking the wrong MSSC would be violation.” But the standard doesn’t say that, so it will be difficult for our Board and/or FERC to accept an interpretation that says that when it’s not in the standard. The BOT guidelines say we can’t go outside a “strict constructionist” view of the standard, and FERC will argue that such an interpretation is in conflict with the language of the standard.

I think that the new standard being worked on by the BARCSDT does say this, so FERC would not (I don’t think) see it as a weakening of the standard.

- 2.) In the second question, they ask about how RSGs work with regard to the exclusion. I think most folks agree with the answer to this question.
- 3.) In the third question, they ask for an explanation of what it means to be “excluded from compliance evaluation.” This is probably the trickiest item to deal with, as none of the requirements talk about an exclusion. The measures talk about reportable and non-reportable, but also do not explain what is meant by exclusion. FERC has ruled that the

compliance elements are not part of the standard, and they will enforce based on what is in the requirements. So while I think we all know what was intended by this phrase, we don't really have the option to say it. The BOT will question us going outside the rules we have from FERC, and FERC will do the same thing.

Again, I think the new standard being worked on by the BARCSDT does include this in the requirements, and will be sufficiently clear and strong that FERC will not see it as a weakening of the standard.

So when we talked about it in the response team, we came to the conclusion that the only real way to address this is to fix the standard. We drafted the interpretation to say what we could, but the industry rejected it. If we want to say what the industry wants us to say, the only way it seems we can do that is to change the standard itself.

Does that help?

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Washington, D.C. Office: 202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net

From: [Andy Rodriguez](mailto:Andy.Rodriguez@nerc.net)
To: [Terry Bilke](mailto:Terry.Bilke@hydro.qc.ca); [Howard Illian](mailto:Howard.Illian@hydro.qc.ca); "Akens, Larry G"; [Gerald Beckerle](mailto:Gerald.Beckerle@hydro.qc.ca); Quintin.Guy@hydro.qc.ca
Cc: [Jason Marshall](mailto:Jason.Marshall@hydro.qc.ca)
Subject: RE: NWPP Interpretation
Date: Monday, September 13, 2010 10:52:00 AM

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Subject: RE: NWPP Interpretation
Date: Monday, September 13, 2010 7:31:51 PM

Andy,

Let me take a look at the comments received and digest your note a little further. I'm not sure how strengthening of the standard fits into the discussion as an interpretation of a standard is to be an explanation of the standard as-is and not what we'd like the next revision to be. If there is a clear reliability gap, it's supposed to be up to the drafting team to submit a SAR and let the industry decide if the team is correct.

I tend to think there is no gap in that there is a clear backstop in the process. While an event can occur that is > than the MSSC, such an event does not nullify the need to comply with IROL standards.

While the FERC has made the statement that the compliance section of the standard cannot set new requirements, that is not the same as providing contextual information. This is also consistent with the results-based standards concept and the current standards processes manual.

Since the RS drafted Policy 1 and BAL-002, I have to believe we can come up with an interpretation that is true to the standard and will pass ballot.

Again, let me take a closer look.

Terry Bilke
Midwest ISO
P.O. Box 4202
Carmel, IN 46032-4202
317/249-5463

From: Andy Rodriguez [mailto:Andy.Rodriquez@nerc.net]
Sent: Monday, September 13, 2010 10:28 AM
To: Terry Bilke; Howard Illian; 'Akens, Larry G'; Gerald Beckerle; Quintin.Guy@hydro.qc.ca
Cc: Jason Marshall
Subject: RE: NWPP Interpretation

Terry,

Here is the drafted interpretation that was posted and balloted, as well as the drafted responses for the comments received with the ballot.

I have heard a couple of times that all NWPP really wants to know is if they have to carry more

reserves than their MSSC. If they had asked this question, instead of the ones they did, I think this would be a very simple question to answer. R3.1 says that they have to carry at least enough to cover their MSSC – end of story. However, they asked three different questions that are more difficult to answer.

The major problems are as follows:

- 1.) In their first question, they ask if any contingency (irrespective of cause) exceeds the MSSC, then is it excluded from compliance evaluation?

As written, the standard assumes entities have correctly identified the MSSC, and therefore does not give any sort of exemption for single-contingencies in excess of the MSSC.

Everyone today seems to think the standard only applies for Reportable Disturbances that are $\geq 80\%$ but $\leq 100\%$ of the MSSC. But if we read the glossary definition of Reportable Disturbance (or even the Measure), it says “greater than or equal to 80%.”

I think everyone would agree that the intent of the standard is “pick the correct MSSC, and then you are required to meet for 80% - 100%, inclusive. Failing DCS with an 80-100% of MSSC event would be a violation, and picking the wrong MSSC would be violation.” But the standard doesn’t say that, so it will be difficult for our Board and/or FERC to accept an interpretation that says that when it’s not in the standard. The BOT guidelines say we can’t go outside a “strict constructionist” view of the standard, and FERC will argue that such an interpretation is in conflict with the language of the standard.

I think that the new standard being worked on by the BARCSDT does say this, so FERC would not (I don’t think) see it as a weakening of the standard.

- 2.) In the second question, they ask about how RSGs work with regard to the exclusion. I think most folks agree with the answer to this question.

- 3.) In the third question, they ask for an explanation of what it means to be “excluded from compliance evaluation.” This is probably the trickiest item to deal with, as none of the requirements talk about an exclusion. The measures talk about reportable and non-reportable, but also do not explain what is meant by exclusion. FERC has ruled that the compliance elements are not part of the standard, and they will enforce based on what is in the requirements. So while I think we all know what was intended by this phrase, we don’t really have the option to say it. The BOT will question us going outside the rules we have from FERC, and FERC will do the same thing.

Again, I think the new standard being worked on by the BARCSDT does include this in the requirements, and will be sufficiently clear and strong that FERC will not see it as a weakening of the standard.

So when we talked about it in the response team, we came to the conclusion that the only real way to address this is to fix the standard. We drafted the interpretation to say what we could, but the

industry rejected it. If we want to say what the industry wants us to say, the only way it seems we can do that is to change the standard itself.

Does that help?

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Andy,

If we have to do it Tuesday or Wednesday, I'd prefer Wednesday at 7 MDT.

Thanks,

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From: Terry Bilke [mailto:TBilke@midwestiso.org]
Sent: Friday, September 10, 2010 8:44 AM
To: Andy Rodriquez; Howard Illian; 'Akens, Larry G'; Gerald Beckerle; Quintin.Guy@hydro.qc.ca
Cc: Jason Marshall
Subject: RE: NWPP Interpretation

I'll be at the NERC OC meeting next week. I could talk between 9-10 Monday before going to the airport, Since the meeting is on Mountain time, we could do something before/after the OC meeting on Tuesday. Thursday after 3 works. Most of Friday is open. Times are Eastern.

Andy, Do you have a little more information on the task at hand?

Thanks,

From: Andy Rodriquez [mailto:Andy.Rodriquez@nerc.net]
Sent: Thursday, September 09, 2010 4:30 PM
To: Howard Illian; 'Akins, Larry G'; Gerald Beckerle; Quintin.Guy@hydro.qc.ca; Terry Bilke
Cc: Jason Marshall
Subject: RE: NWPP Interpretation

All –

The Standards Committee has requested that before we officially decide whether or not we can develop an interpretation that satisfies the NWPP concerns, we consult with Terry Bilke as the RS chair and see if he has some alternate proposals for developing the interpretation.

Ideally, they would like a report back at their October meeting. Do folks have availability next week to discuss this on a conference call? If so, what days and times look good? If not, what other days might work?

Terry, do you have any suggestions you can offer in advance of a telephone discussion?

Andy Rodriquez
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From: Howard Illian [mailto:howard.illian@energymark.com]
Sent: Tuesday, August 10, 2010 1:57 PM
To: Andy Rodriquez; 'Akins, Larry G'; GBeckerle@ameren.com; Quintin.Guy@hydro.qc.ca
Subject: RE: NWPP Interpretation

Andy,

I agree that the clarification that you provided is much better than what was initially written. It is also my opinion that the way the standard is being interpreted has changed since the standard was approved. As I remember, when these standards were approved, the requirements and measures held equal weight with respect to interpretation. That means that the standards as currently interpreted are different than the standards that were passed by the stakeholders. It appears that the only resolution to this problem is to initiate a SAR to correct the problems found as a result in this change in interpretation, and to modify the standard through the ANSI process. I believe that this work is in progress under the BARC SDT.

Howard F. Illian, President
Energy Mark, Inc.
334 Satinwood Ct. N.
Buffalo Grove, Illinois 60089
Office: 847-913-5491
Cell: 847-910-9510

From: Andy Rodriquez [mailto:Andy.Rodriquez@nerc.net]
Sent: Tuesday, August 10, 2010 12:12 PM
To: Andy Rodriquez; Akens, Larry G; Howard Illian; GBeckerle@ameren.com; Quintin.Guy@hydro.qc.ca
Subject: RE: NWPP Interpretation

Hey guys – Larry and I had some discussion on this, and he thought adding more detail regarding the “single contingency in excess of the MSSC” issue would be helpful. Attached is an updated version that provides additional information on this issue.

Andy Rodriquez
Manager, Business Practice Coordination
North American Electric Reliability Corporation
Washington, D.C. Office: 202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net

From: Andy Rodriquez
Sent: Monday, August 09, 2010 10:33 AM
To: Akens, Larry G; Howard Illian; GBeckerle@ameren.com; Quintin.Guy@hydro.qc.ca
Subject: RE: NWPP Interpretation

Hi guys –

You may recall that about 9 months ago, I asked you four (plus Raymond Vice) to serve as the Interpretation team for the NWPP Request for Interpretation of BAL-002. We reviewed and discussed the RFI and developed an interpretation that answered the questions based on the language in the standard. The interpretation followed what was in the standard, but was largely unpopular as it did not go as far as entities wanted it to go. A link to the Interpretation is here:

http://www.nerc.com/filez/standards/Project2009-19_Interpretation_BAL-002-0_NWPP.html

It was my understanding that we had completed this item by responding to the SC that we could not resolve the comments received without making changes to the standard. However, it looks like the SC would like to see a set of formal responses to those comments. I have drafted a set of preliminary responses. In general the responses can be summarized as follows:

- 1.) Although everyone seems to agree that a single event that is larger than the studied MSSC should be excluded from compliance, there is no such exclusion specified in the standard. As such, we cannot give one through the Interpretation process.
- 2.) The Measures and Compliance elements are not part of the requirement, and cannot be considered as such. Therefore, until the rules and exclusions specified in the Measures and Compliance elements are moved into the requirements, they can only be considered as guidance to the CEA. In other words, it is impossible to say how the CEA will interpret compliance, as they have discretion in this area, and it is up to them to determine what is or is not a violation.
- 3.) Modifying the standard (to put the >MSSC and exclusions in the requirement) is the only real way to address the concerns expressed in the Request for Interpretation. This is currently being worked on (now in the BARC team).

Can you please review these ASAP and let me know if you have any concerns? I know that this is an unpopular answer, but I do not see any valid option to address these comments in a way that will make the Interpretation acceptable.

Andy Rodriquez
Manager, Business Practice Coordination
North American Electric Reliability Corporation
Washington, D.C. Office: 202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net

From: [Andy Rodriguez](#)
To: [Terry Bilke](#); [Howard Illian](#); "[Akens, Larry G](#)"; [Gerald Beckerle](#); Quintin.Guy@hydro.qc.ca
Cc: [Jason Marshall](#)
Subject: RE: NWPP Interpretation
Date: Tuesday, September 14, 2010 7:12:00 AM

Terry –

I'm not sure if I understand what you are referring to when you say "strengthening the standard." It's not a matter of trying to fill any perceived reliability gap by strengthening the standard... it's a matter of what the language of the standard contains. If the standard actually did give an exclusion of events > MSSC, then the answer to question one would be a lot easier, but we could not find any place in the standard where that was the case. Are you aware of any such language?

I don't disagree with the discussion about contextual information, but in this case, the measures and compliance seem like they are "extending" the requirements by providing more information about how to enforce them. Similarly to how FERC has state a VSL cannot add to or detract from the requirements, I don't think we can use contextual information to do so. If the requirement had some reference to the exclusion in it, then I think we could argue that the Compliance section was simply clarifying what the requirement meant. But there does not seem to be any part of the requirements that gives this leeway.

I don't disagree that you can come up with an interpretation that is true to the standard and will pass ballot. If we say "Yes all events in excess of the MSSC are excluded" and "By excluded, we mean 'will not be found in violation of a standard if they are unable to comply in these specific cases,'" I think that would be true to the intent of the RS, as well as aligned with the desires of the ballot body. However, I don't think our Board or FERC will support such an interpretation, as it would seem to go against some of the key principles we have regarding interpretations and requirements.

So I think the question becomes which is more likely to be successful – an interpretation that may not comply with those key principles, or a new, more "results-based" standard that has more explicit and unambiguous criteria?

Andy Rodriguez
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From: Terry Bilke [mailto:TBilke@midwestiso.org]
Sent: Monday, September 13, 2010 7:32 PM
To: Andy Rodriguez; Howard Illian; 'Akens, Larry G'; Gerald Beckerle; Quintin.Guy@hydro.qc.ca
Cc: Jason Marshall
Subject: RE: NWPP Interpretation

Andy,

Let me take a look at the comments received and digest your note a little further. I'm not sure how strengthening of the standard fits into the discussion as an interpretation of a standards is to be an explanation of the standard as-is and not what we'd like the next revision to be. If there is a clear reliability gap, it's supposed to be up to the drafting team to submit a SAR and let the industry decide if the team I correct.

I tend to think there is no gap in that there is a clear backstop in the process. While an event can occur that is > than the MSSC, such an event does not nullify the need to comply with IROL standards.

While the FERC has made the statement that the compliance section of the standard cannot set new requirements, that is not the same as providing contextual information. This is also consistent with the results-based standards concept and the current standards processes manual.

Since the RS drafted Policy 1 and BAL-002, I have to believe we can come up with an interpretation that is true to the standard and will pass ballot.

Again, let me take a closer look.

Terry Bilke
Midwest ISO
P.O. Box 4202
Carmel, IN 46032-4202
317/249-5463

From: Andy Rodriguez [mailto:Andy.Rodriguez@nerc.net]
Sent: Monday, September 13, 2010 10:28 AM
To: Terry Bilke; Howard Illian; 'Akens, Larry G'; Gerald Beckerle; Quintin.Guy@hydro.qc.ca
Cc: Jason Marshall
Subject: RE: NWPP Interpretation

Terry,

Here is the drafted interpretation that was posted and balloted, as well as the drafted responses

for the comments received with the ballot.

I have heard a couple of times that all NWWP really wants to know is if they have to carry more reserves than their MSSC. If they had asked this question, instead of the ones they did, I think this would be a very simple question to answer. R3.1 says that they have to carry at least enough to cover their MSSC – end of story. However, they asked three different questions that are more difficult to answer.

The major problems are as follows:

- 1.) In their first question, they ask if any contingency (irrespective of cause) exceeds the MSSC, then is it excluded from compliance evaluation?

As written, the standard assumes entities have correctly identified the MSSC, and therefore does not give any sort of exemption for single-contingencies in excess of the MSSC. Everyone today seems to think the standard only applies for Reportable Disturbances that are $\geq 80\%$ but $\leq 100\%$ of the MSSC. But if we read the glossary definition of Reportable Disturbance (or even the Measure), it says “greater than or equal to 80%.”

I think everyone would agree that the intent of the standard is “pick the correct MSSC, and then you are required to meet for 80% - 100%, inclusive. Failing DCS with an 80-100% of MSSC event would be a violation, and picking the wrong MSSC would be violation.” But the standard doesn’t say that, so it will be difficult for our Board and/or FERC to accept an interpretation that says that when it’s not in the standard. The BOT guidelines say we can’t go outside a “strict constructionist” view of the standard, and FERC will argue that such an interpretation is in conflict with the language of the standard.

I think that the new standard being worked on by the BARCSDT does say this, so FERC would not (I don’t think) see it as a weakening of the standard.

- 2.) In the second question, they ask about how RSGs work with regard to the exclusion. I think most folks agree with the answer to this question.
- 3.) In the third question, they ask for an explanation of what it means to be “excluded from compliance evaluation.” This is probably the trickiest item to deal with, as none of the requirements talk about an exclusion. The measures talk about reportable and non-reportable, but also do not explain what is meant by exclusion. FERC has ruled that the compliance elements are not part of the standard, and they will enforce based on what is in the requirements. So while I think we all know what was intended by this phrase, we don’t really have the option to say it. The BOT will question us going outside the rules we have from FERC, and FERC will do the same thing.

Again, I think the new standard being worked on by the BARCSDT does include this in the requirements, and will be sufficiently clear and strong that FERC will not see it as a weakening of the standard.

So when we talked about it in the response team, we came to the conclusion that the only real way to address this is to fix the standard. We drafted the interpretation to say what we could, but the industry rejected it. If we want to say what the industry wants us to say, the only way it seems we can do that is to change the standard itself.

Does that help?

Andy Rodriquez
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Subject: RE: NWPP Interpretation

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From: Andy Rodriquez [mailto:Andy.Rodriquez@nerc.net]
Sent: Tuesday, August 10, 2010 12:12 PM
To: Andy Rodriquez; Akens, Larry G; Howard Illian; GBeckerle@ameren.com; Quintin.Guy@hydro.qc.ca
Subject: RE: NWPP Interpretation

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andy.rodriquez@nerc.net

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Sent: Monday, August 09, 2010 10:33 AM
To: Akens, Larry G; Howard Illian; GBeckerle@ameren.com; Quintin.Guy@hydro.qc.ca
Subject: RE: NWPP Interpretation

Hi guys –

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andy.rodriquez@nerc.net

From: [Andy Rodriguez](#)
To: ["Terry Bilke"](#); ["Howard Illian"](#); ["Akens, Larry G"](#); ["Gerald Beckerle"](#); ["Quintin.Guy@hydro.qc.ca"](#)
Cc: ["jmarshall@midwestiso.org"](#)
Subject: NWPP Interpretation of BAL-002
Attachments: [2009-19 RFI NWPP BAL-002 In-Ballot 2010Jan15.pdf](#)
[NWPP RFI COMMENTS AND RESPONSES-v3.doc](#)

9 am – 10 am EDT (7 am – 8 am MDT)

Dial-in: 1-866-740-1260
Passcode: 9473885

This call is to discuss additional options for responding to the Northwest Power Pool Request for Interpretation of BAL-002 that both address the NWPP concerns and meet BOT and FERC quality guidelines. If more time is needed, additional calls will be set up.

Attachments: Posted Draft Interpretation, Drafted Responses to Comments

From: [Terry Bilke](#)
To: [Andy Rodriguez](#); "[Howard Illian](#)"; "[Akens, Larry G](#)"; [Gerald Beckerle](#); "[Quintin.Guy@hydro.qc.ca](#)"
Cc: [Jason Marshall](#)
Subject: RE: NWPP Interpretation of BAL-002
Date: Wednesday, September 15, 2010 7:40:53 AM

The information below is material to our discussion this morning. It is an extract from the Performance Standards Reference Guidelines which have been part of the NERC Operating Manual and supported the understanding and implementation of the Balancing Standards.

Thanks,

Terry Bilke
Midwest ISO
P.O. Box 4202
Carmel, IN 46032-4202
317/249-5463

- 4.2. Excludable Disturbances and Average Percent Recovery.** The control areas or reserve sharing group shall report both the number of reportable disturbances that occur in the given quarter, and the average percent recovery for that quarter. The control area must also report the excludable disturbances that occurred in the quarter and the average percent recovery for those excluded events.
- 4.2.1. Excludable Disturbance.** An excludable disturbance is a disturbance whose magnitude was greater than the magnitude of the control area's most severe single contingency.
- 4.2.2. Average Percent Recovery.** The average percent recovery is the arithmetic average of all the calculated R_i 's from reportable disturbances during the given quarter. Average percent recovery is similarly calculated for excludable disturbances. (See Section C.2 for calculation of R_i .)

- 4.3. **Contingency Reserve Adjustment Factor.** The quarterly Contingency Reserve Adjustment factor shall include only those reportable disturbances with magnitudes less than or equal to the magnitude of the respective control area's most severe contingency.

- 4.3.1. **Contingency Reserve Adjustment factor.** The factor is defined as follows:

when $n_{Quarter} \geq 0$, then

$$CRA_{Quarter} = 200 - \left[\frac{\sum R_i}{n_{Quarter}} \right]$$

when $n_{Quarter} = 0$, then $CRA_{Quarter} = 100$

where $n_{Quarter}$ is the number of reportable disturbances experienced during the reporting quarter.

i = reportable disturbances.

R_i is defined in section C.2.

- 4.3.2. **Calculation Precision.** The Adjustment Factor shall be rounded off to two decimal places.
- 4.3.3. **Exemptions.** Requests for exemptions for single events that cause multiple reportable disturbances (e.g. hurricanes, earthquakes, islanding, etc.) shall be submitted to the NERC Director of Compliance. Until the exemption is approved or denied, the control area or reserve sharing group shall consider the request denied.
- 4.4. **Contingency Reserve Adjustment Period.** Control areas shall revise their respective Contingency Reserve Requirement by their computed Contingency Reserve Adjustment factor. The adjustments will be effective starting one month following the end of the reported quarter and remains in effect for three months.
- 4.5. **Instructions for Disturbance Control Standard Survey.** Each control area or Reserve Sharing Group shall report its Disturbance Control Standard compliance quarterly on Form DCS "NERC Disturbance Control Standard Survey."
- 4.5.1. Mail a copy of the completed Form DCS to the NERC staff.
- 4.5.2. The NERC staff will combine the Regional reports into a single summary report and send one copy to each Subcommittee member.
- 4.5.3. Each Subcommittee member is responsible for sending the summary report to the utilities in the Region.

~~*~*~*~*~*~*~*~*

9 am – 10 am EDT (7 am – 8 am MDT)

Dial-in: 1-866-740-1260

Passcode: 9473885

This call is to discuss additional options for responding to the Northwest Power Pool Request for Interpretation of BAL-002 that both address the NWPP concerns and meet BOT and FERC quality guidelines. If more time is needed, additional calls will be set up.

Attachments: Posted Draft Interpretation, Drafted Responses to Comments

2009-19_RFI_NWPP_BAL-002_In-Ballot_2010Jan15.pdf <cid:8509d090-a2c4-47fb-b3dd-406be41b9e49> NWPP RFI COMMENTS AND RESPONSES-v3.doc <cid:98ccafb8-5413-481f-be95-51c03d870784>

<< File: NWPP RFI COMMENTS AND RESPONSES-v3.doc >> << File: 2009-19_RFI_NWPP_BAL-002_In-Ballot_2010Jan15.pdf >>

From: [Terry Bilke](#)
To: rs@nerc.com
Cc: [Andy Rodriguez](#); ["Howard Illian"](#); ["Akens, Larry G"](#); [Gerald Beckerle](#); ["Quintin.Guy@hydro.qc.ca"](mailto:Quintin.Guy@hydro.qc.ca); [Doug Hills](#)
Subject: NWPP BAL-002 Interpretation
Date: Wednesday, September 15, 2010 12:38:26 PM

Some of you may recall an interpretation request a while back on BAL-002 that failed ballot. The NERC Standards Committee asked that we (RS) take a look at the interpretation and make a recommendation on disposition. One option is to recommend the BARC include this in their work, another option is to take a second shot at an interpretation.

It appears that the original drafters of the interpretation weren't aware of the Performance Standards Reference Document (now Control Performance Guidelines) that put context and intent to CPS/DCS and also define the performance calculations.

The attached pdf is the interpretation that didn't pass. The other attachment has my notes providing some background, a first cut at a revised interpretation (assuming we recommend this route) and an extract from the supporting reference document. If we recommend giving it to the BARC, we can pass along comments for their consideration.

I'd ask the RS two things:

- Which option do we recommend (work with the drafting team on a revised interpretation or recommend handing this to the BARC)?
- Do you generally agree with my background and responses?

Just a reminder, an interpretation is to explain the standard as-is, not what we'd like the next revision of the standard to be. Still, if we believe there is a significant compliance gap, we should identify such and that would be considered for a SAR to change the standard.

If there's something material I've missed or in error, please edit the attachment.

I'd like the entire RS to respond by September 24. In particular we need to hear from those that were involved in the drafting of Policy 1 and BAL-002-0.

Don should probably recuse himself on this.

Thanks,

Terry Bilke
Midwest ISO
P.O. Box 4202
Carmel, IN 46032-4202
317/249-5463

From: [Andy Rodriguez](#)
To: [Terry Bilke](#); rs@nerc.com
Cc: "[Howard Illian](#)"; "[Akens, Larry G](#)"; [Gerald Beckerle](#); "Quintin.Guy@hydro.qc.ca"; [Doug Hils](#)
Subject: RE: NWPP BAL-002 Interpretation
Date: Wednesday, September 15, 2010 12:54:00 PM

Terry,

Just for additional information, the Interpretation team continued the call for another half hour or so after you got off – the current plan is that Larry is going to try to write a focused modification to BAL-002-1 that modifies what kinds of disturbances are considered in DCS, so we can see if we can address the issue with a rapid-turn-around change of the standard. There is still going to be some question about whether or not there is related impact to EOP-002 R6 and if so what to do about it, but we plan on discussing further next week once Larry has sent around his draft.

Andy Rodriguez
Manager, Business Practice Coordination
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andy.rodriquez@nerc.net

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To: rs@nerc.com
Cc: Andy Rodriguez; 'Howard Illian'; 'Akens, Larry G'; Gerald Beckerle; 'Quintin.Guy@hydro.qc.ca'; Doug Hils
Subject: NWPP BAL-002 Interpretation

Some of you may recall an interpretation request a while back on BAL-002 that failed ballot. The NERC Standards Committee asked that we (RS) take a look at the interpretation and make a recommendation on disposition. One option is to recommend the BARC include this in their work, another option is to take a second shot at an interpretation.

It appears that the original drafters of the interpretation weren't aware of the Performance Standards Reference Document (now Control Performance Guidelines) that put context and intent to CPS/DCS and also define the performance calculations.

The attached pdf is the interpretation that didn't pass. The other attachment has my notes providing some background, a first cut at a revised interpretation (assuming we recommend this

route) and an extract from the supporting reference document. If we recommend giving it to the BARC, we can pass along comments for their consideration.

I'd ask the RS two things:

- Which option do we recommend (work with the drafting team on a revised interpretation or recommend handing this to the BARC)?
- Do you generally agree with my background and responses?

Just a reminder, an interpretation is to explain the standard as-is, not what we'd like the next revision of the standard to be. Still, if we believe there is a significant compliance gap, we should identify such and that would be considered for a SAR to change the standard.

If there's something material I've missed or in error, please edit the attachment.

I'd like the entire RS to respond by September 24. In particular we need to hear from those that were involved in the drafting of Policy 1 and BAL-002-0.

Don should probably recuse himself on this.

Thanks,

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From: [Terry Bilke](#)
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Cc: [McManus,Bart - TOT-DITT2](#); [Al DiCaprio](#); mpotishnak@iso-ne.com; Don.Mcinnis@fpl.com; rlvice@bellsouth.net; aro67@msn.com; don.badley@nwpp.org; howard.illian@energymark.com; Doug.Hils@nerc.com
Subject: BAL-002 Interpretation
Date: Monday, October 04, 2010 6:30:37 PM

Herb, Allen and others,

There was an agenda item at the last Standards Committee (SC) meeting dealing with the disposition of the NWPP RSG interpretation request of BAL-002 that failed ballot in February of this year. The SC asked the NERC Resources Subcommittee (RS) to take a look at the interpretation.

In addition to reaching out to the RS, it seemed appropriate to also contact former members of the NERC Performance Subcommittee ("PS", the predecessor of the RS) who were involved in drafting the initial Disturbance Control Standard in Policy 1 and were also involved in the conversion of the Policy to Version 0. The former PS members are cc'd on this note.

The attached document has the original drafters' understanding of BAL-002 with respect to NWPP's questions. While the content could use some polishing, I believe it accurately reflects the intent of the standard and would likely pass industry ballot.

Thanks,

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Reliability Standards Development Procedure

Version 6.1 — Approved: NERC Board of Trustees

March 12, 2007

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Introduction

Purpose

This procedure defines the characteristics of a reliability standard of the North American Electric Reliability Corporation (NERC) and establishes the process for development of consensus for approval, revision, reaffirmation, and withdrawal of such standards. NERC reliability standards apply to the reliability planning and reliable operation of the bulk power systems of North America.

Authority

This procedure is published by the authority of the NERC Board of Trustees. The Board of Trustees, as necessary to maintain NERC's certification as the electric reliability organization (ERO), may file the procedure with applicable governmental authorities for approval as an ERO procedure. When approved, the procedure is appended to and provides implementation detail in support of the ERO Rules of Procedure Section 300 — Reliability Standards Development. A process for revising the procedure, including the role of stakeholders in modifying the procedure, is provided in the section titled Maintenance of Reliability Standards Development Procedure.

Background

NERC is a nonprofit corporation formed for the purpose of becoming the North American electric reliability organization. NERC's predecessor organization, the North American Electric Reliability Council, was formed in 1968 as a result of the Northeast blackout in 1965 to promote the reliability of the bulk power systems of North America.

NERC works with all stakeholder segments of the electric industry, including electricity users, to develop standards for the reliability planning and reliable operation of the bulk power systems. Historically, NERC standards were effectively applied on a voluntary basis. In the United States, the Energy Policy Act of 2005 added Section 215 to the Federal Power Act for the purpose of establishing a framework to make the standards mandatory for all bulk power system owners, operators, and users. Similar authorities are provided by applicable governmental authorities in Canada. NERC was certified as the electric reliability organization effective July 2006.

While NERC reliability standards are intended to promote reliability, they must at the same time accommodate competitive electricity markets. Reliability is a necessity for electricity markets, and robust electricity markets can support reliability.

Principles

Need for Guiding Principles

The NERC Board of Trustees has adopted reliability principles and market interface principles to define the purpose, scope, and nature of reliability standards. As these principles are fundamental to reliability and the market interface, these principles provide a constant beacon to guide the development of reliability standards. The Board of Trustees may modify these principles from time to time, as necessary, to adapt its vision for reliability standards.

Persons and committees that are responsible for the reliability standards process shall consider these principles in the execution of those duties. The reliability and market interface principles are listed in Appendix A in the Standard Authorization Request template.

Reliability Principles

NERC reliability standards are based on certain reliability principles that define the foundation of reliability for North American bulk power systems. Each reliability standard shall enable or support one or more of the reliability principles, thereby ensuring that each standard serves a purpose in support of reliability of the North American bulk power systems. Each reliability standard shall also be consistent with all of the reliability principles, thereby ensuring that no standard undermines reliability through an unintended consequence.

Market Interface Principles

Recognizing that bulk power system reliability and electricity markets are inseparable and mutually interdependent, all reliability standards shall be consistent with the market interface principles. Consideration of the market interface principles is intended to ensure that reliability standards are written such that they achieve their reliability objective without causing undue restrictions or adverse impacts on competitive electricity markets.

Reliability Standard Definition, Characteristics, and Elements

Definition of a Reliability Standard

A reliability standard defines certain obligations or requirements of entities that operate, plan, and use the bulk power systems of North America. The obligations or requirements must be material to reliability and measurable. Each obligation and requirement shall support one or more of the stated reliability principles and shall be consistent with all of the stated reliability and market interface principles. A reliability standard is defined as follows:

“Reliability standard” means a requirement to provide for reliable operation of the bulk power system, including without limiting the foregoing, requirements for the operation of existing bulk power system facilities, including cyber security protection, and including the design of planned additions or modifications to such facilities to the extent necessary for reliable operation of the bulk power system; but shall not include any requirement to enlarge bulk power system facilities or to construct new transmission capacity or generation capacity¹.

Characteristics of a Reliability Standard

Reliability standards include standards for the operation and planning of interconnected systems, consistent with the reliability and market interface principles. The format and process defined by this procedure applies to all reliability standards.

Although reliability standards have a common format and process, several types of reliability standards may exist, each with a different approach to measurement:

- **Technical standards** related to the provision, maintenance, operation, or state of bulk power systems will likely contain measures of physical parameters and will often be technical in nature.
- **Performance standards** related to the actions of entities providing for or impacting the reliability of bulk power systems will likely contain measures of the results of such actions, or the nature of the performance of such actions.
- **Preparedness standards** related to the actions of entities to be prepared for conditions that are unlikely to occur but are critical to reliability will likely contain measures of such preparations or the state of preparedness, but measurement of actual outcomes may occur infrequently or never.
- **Organization certification standards** define the essential capabilities to perform reliability functions. Such standards are used to credential organizations that have the requisite capabilities.

Elements of a Reliability Standard

A reliability standard shall consist of the elements shown in the reliability standard template. These elements are intended to apply a systematic discipline in the development and revision of reliability standards. This discipline is necessary to achieving standards that are measurable, enforceable, and consistent. The format allows a clear statement of the purpose, requirements, measures, and compliance elements associated with each standard.

¹ § 39.1 Code of Federal Regulations.

All mandatory requirements of a reliability standard shall be within an element of the standard. Supporting documents to aid in the implementation of a standard may be referenced by the standard but are not part of the standard itself. Types of supporting documents are described in a later section of the procedure.

Performance Elements of a Reliability Standard

Identification Number	A unique identification number assigned in accordance with a published classification system to facilitate tracking and reference to the standards.
Title	A brief, descriptive phrase identifying the topic of the standard.
Applicability	Clear identification of the functional classes of entities responsible for complying with the standard, noting any specific additions or exceptions. If not applicable to the entire North American bulk power system, then a clear identification of the portion of the bulk power system to which the standard applies, such as a region or interconnection. Any limitation on the applicability of the standard based on electric facility requirements should be described.
Effective Date and Status	The effective date of the standard or, prior to approval of the standard by regulatory authorities, the proposed effective date. The status of the standard will be indicated as active or by reference to one of the numbered steps in the standards process.
Purpose	The purpose of the standard. The purpose shall explicitly state what outcome will be achieved by the adoption of the standard. The purpose is agreed to early in the process as a step toward obtaining approval to proceed with the development of the standard. The purpose should link the standard to the relevant principle(s).
Requirement(s)	Explicitly stated technical, performance, preparedness, or certification requirements. Each requirement identifies who is responsible and what action is to be performed or what outcome is to be achieved. Each statement in the requirements section shall be a statement for which compliance is mandatory. Any additional comments or statements for which compliance is not mandatory, such as background or explanatory information should be placed in a separate document and referenced. (See Supporting References.)
Risk Factors	The potential reliability significance of each requirement, designated as a High, Medium, or Lower Risk Factor in accordance with the criteria listed below: A High Risk Factor requirement (a) is one that, if violated, could directly cause or contribute to bulk power system instability, separation, or a cascading sequence of failures, or could place the bulk power system at an unacceptable risk of instability, separation, or cascading failures; or (b) is a requirement in a planning time frame that, if violated, could, under emergency, abnormal, or restorative conditions anticipated by the preparations, directly cause or contribute to bulk power system instability, separation, or a cascading sequence of failures, or could place the bulk power system at an unacceptable risk of instability, separation, or cascading failures, or could hinder restoration to a normal condition. A Medium Risk Factor requirement (a) is a requirement that, if violated, could

	<p>directly affect the electrical state or the capability of the bulk power system, or the ability to effectively monitor and control the bulk power system, but is unlikely to lead to bulk power system instability, separation, or cascading failures; or (b) is a requirement in a planning time frame that, if violated, could, under emergency, abnormal, or restorative conditions anticipated by the preparations, directly affect the electrical state or capability of the bulk power system, or the ability to effectively monitor, control, or restore the bulk power system, but is unlikely, under emergency, abnormal, or restoration conditions anticipated by the preparations, to lead to bulk power system instability, separation, or cascading failures, nor to hinder restoration to a normal condition.</p> <p>A Lower Risk Factor requirement is administrative in nature and (a) is a requirement that, if violated, would not be expected to affect the electrical state or capability of the bulk power system, or the ability to effectively monitor and control the bulk power system; or (b) is a requirement in a planning time frame that, if violated, would not, under the emergency, abnormal, or restorative conditions anticipated by the preparations, be expected to affect the electrical state or capability of the bulk power system, or the ability to effectively monitor, control, or restore the bulk power system.</p>
Measure(s)	<p>Each requirement shall be addressed by one or more measures. Measures are used to assess performance and outcomes for the purpose of determining compliance with the requirements stated above. Each measure will identify to whom the measure applies and the expected level of performance or outcomes required to demonstrate compliance. Each measure shall be tangible, practical, and as objective as is practical. It is important to realize that measures are proxies to assess required performance or outcomes. Achieving the measure should be a necessary and sufficient indicator that the requirement was met. Each measure shall clearly refer to the requirement(s) to which it applies.</p>

Glossary of Terms Used in Standards

Definitions of Terms	<p>All defined terms used in reliability standards shall be defined in the glossary. Definitions may be approved as part of a standard action or as a separate action. All definitions must be approved in accordance with the standards process.</p>
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Compliance Elements² of a Standard

Compliance Monitoring Process	<p>The following compliance elements, which are part of the standard and are balloted with the standard are developed for each measure in a standard by the NERC compliance program in coordination with the standard drafting team:</p>
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² While the compliance elements of a standard are developed and approved for each NERC standard, the compliance elements will not be included in any standard submitted to ANSI for approval as an American National Standard.

	<ul style="list-style-type: none"> • The specific data or information that is required to measure performance or outcomes. • The entity that is responsible to provide the data or information for measuring performance or outcomes. • The process that will be used to evaluate data or information for the purpose of assessing performance or outcomes. • The entity that is responsible for evaluating data or information to assess performance or outcomes. • The time period in which performance or outcomes is measured, evaluated, and then reset. • Measurement data retention requirements and assignment of responsibility for data archiving.
Violation Severity Levels	Defines the degree to which compliance with a requirement was not achieved. The violation severity levels, are part of the standard and are balloted with the standard, and developed by the NERC compliance program in coordination with the standard drafting team.

Supporting Information Elements

Interpretations	Formally approved interpretations of the reliability standard. Interpretations are temporary, as the standard should be revised to incorporate the interpretation. Interpretations are developed and approved through a process described in the section Interpretations of Standards.
Implementation Plan	Each standard shall have an associated implementation plan describing the effective date of the standard or effective dates if there is a phased implementation. The implementation plan may also describe the implementation of the standard in the compliance program and other considerations in the initial use of the standard, such as necessary tools, training, etc. The implementation plan must be posted for at least one public comment period and is approved as part of the ballot of the standard.
Supporting References	<p>This section will reference related documents that support implementation of the reliability standard, but are not themselves mandatory. Examples include, but are not limited to:</p> <ul style="list-style-type: none"> • Developmental history of the standard and prior versions. • Notes pertaining to implementation or compliance. • Standard references. • Standard supplements. • Procedures. • Practices. • Training references. • Technical references.

	<ul style="list-style-type: none">• White papers.• Internet links to related information.
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Roles in the Reliability Standards Development Process

Nomination, Revision, or Withdrawal of a Standard

Any member of NERC, including any member of a regional reliability organization, or group within NERC shall be allowed to request that a reliability standard be developed, modified, or withdrawn. Additionally, any person (organization, company, government agency, individual, etc.) who is directly and materially affected by the reliability of the North American bulk power systems shall be allowed to request a reliability standard be developed, modified, or withdrawn.

Process Roles

Board of Trustees — The NERC Board of Trustees shall consider for adoption as reliability standards the standards that have been approved by a ballot pool. Once the board adopts a reliability standard, the board may file the standard with regulatory authorities to make the standard mandatory.

Member Representatives Committee — The NERC Member Representatives Committee shall advise the Board of Trustees on reliability standards presented for adoption by the board.

Standards Committee — The Standards Committee shall consist of two members of each of the stakeholder segments in the Registered Ballot Body³. The Standards Committee shall meet at regularly scheduled intervals (either in person, or by other means) to consider which requests for new or revised standards should be assigned for development. The Standards Committee will manage the standards development process. The responsibilities of the Standards Committee will include: management of the standards work flow so as not to overwhelm available resources; review of standards authorization requests and draft standards for such factors as completeness, sufficient detail, rational result, and compatibility with existing standards; clarifying standard development issues not specified in this procedure; and advising the Board of Trustees on standard development matters. Under no circumstance will the Standards Committee change the substance of a draft standard. The standards process manager serves as secretary to the Standards Committee.

Registered Ballot Body — The Registered Ballot Body comprises all entities or individuals that:

1. Qualify for one of the stakeholder segments approved by the Board of Trustees⁴, and
2. Are registered with NERC as potential ballot participants in the voting on standards, and
3. Are current with any designated fees.

Each member of the Registered Ballot Body is eligible to participate in the voting process (and ballot pool) for each standard action.

³ In addition to balanced stakeholder segment representation, the Standards Committee shall also have representation that is balanced among countries based on net energy for load (NEL). As needed, the Board of Trustees may approve special procedures for the balancing of representation among countries represented within NERC.

⁴ Appendix B contains a description of the latest version of the stakeholder segments approved by the Board of Trustees.

Ballot Pool — Each standard action has its own ballot pool formed of interested members of the Registered Ballot Body. The ballot pool comprises those members of the Registered Ballot Body that respond to a pre-ballot survey for that particular standard action.

The ballot pool will ensure, through its vote, the need for and technical merits of a proposed standard action and the appropriate consideration of views and objections received during the development process. The ballot pool votes to approve each standards action.

Standards Process Manager — The reliability standards process shall be administered by a standards process manager. The standards process manager is responsible for ensuring that the development and revision of standards is in accordance with this procedure. The standards process manager works to ensure the integrity of the process and consistency of quality and completeness of the reliability standards. The standards process manager facilitates all steps in the process.

Standards Process Staff — NERC staff will assist the SAR drafting teams and standard drafting teams.

Committees, Subcommittees, Working Groups, and Task Forces — The committees, subcommittees, working groups, and task forces within NERC serve an active role in the standards process:

- Initiate standards actions by developing SARs.
- Submit comments (views and objections) to standards actions.
- Participate on standard drafting teams.
- Provide guidance in the development and implementation of field tests.
- Assist in the implementation of approved standards.
- Serve as industry spokespersons by encouraging others within their NERC region and stakeholder segment to participate in the standards development process.
- Serve as industry monitors to assess the impact of a standard's implementation.
- Provide technical oversight in response to changing industry conditions.
- Identify the need for new standards.

NERC and Regional Reliability Organization Members — The members of NERC and the regional reliability organizations may initiate new or revised standards and may comment on proposed standards.

Requester — A requester is any person (organization, company, government agency, individual, etc.) that submits a complete request for development, revision, or withdrawal of a standard. Any person that is directly and materially affected by an existing standard or the need for a new standard may submit a request for a new standard or revision to a standard. The requester is assisted by the SAR drafting team (if one is appointed by the Standards Committee) to respond to comments and to decide if and when the SAR is forwarded to the Standards Committee with a request to draft a standard. The requester is responsible for the SAR, assisted by the SAR drafting team, until such time the Standards Committee authorizes development of the standard. The requester has the option at any time to allow the SAR drafting team to assume full responsibility for the SAR. The requester may choose to participate in subsequent standard drafting efforts related to the SAR.

Compliance Enforcement Program — The mission of the NERC compliance enforcement program is to manage and enforce compliance with NERC reliability standards. The development of a reliability standard, in particular the measures and compliance elements, shall have direct input from the compliance

enforcement program. Field testing will also be coordinated with the compliance program. The compliance program director and appropriate working groups shall provide inputs and comments during the standards development process to ensure the measures will be effective and other aspects of the compliance enforcement program can be practically implemented. The compliance elements specific to each standard will be developed by the compliance program, in conjunction with the standards development process.

SAR Drafting Team — A team of technical experts assigned by the Standards Committee, that:

- Assists in refining the SAR,
- Considers and responds to comments, and
- Participates in industry forums to help build consensus on the SAR.

Standard Drafting Team — A team of technical experts, approved by the Standards Committee, that:

- Develops the details of the standard,
- Considers and responds to comments, and
- Participates in industry forums to help build consensus on posted draft standards.

Joint Interface Committee (JIC) — The JIC's purpose is to ensure that the development of wholesale electric business practices and reliability standards is harmonized and that every effort is made to minimize duplication of effort between NERC and the North American Energy Standards Board (NAESB). The JIC is staffed by representatives of NERC, NAESB, and the ISO/RTO Council and is governed by the provisions of a Memorandum of Understanding executed by the three entities. The JIC will review all standards development proposals received by NERC and NAESB to determine whether NERC or NAESB should develop a particular standard, or whether joint development is needed. The JIC will also coordinate the annual work plans of the three organizations.

Reliability Standards Consensus Development Process

Overview

The process for developing and approving reliability standards is generally based on the procedures of the American National Standards Institute (ANSI) and other standards-setting organizations in the United States and Canada.

The NERC process is intended to develop consensus, on both the need for the standard, and the proposed standard itself. The process includes the following key elements:

- **Nomination of a proposed standard, revision to a standard, or withdrawal of a standard** using a Standard Authorization Request (SAR).
- **Public posting of the SAR** to allow all parties to review and provide comments on the need for the proposed standard and the expected outcomes and impacts from implementing the proposed standard. Notice of standards shall provide an opportunity for participation by all directly and materially affected persons.
- **Review of the public comments** in response to the SAR and prioritization of proposed standards, leading to the authorization to develop standards for which there is a consensus-based need.
- **Assignment of teams** to draft the new or revised standard.
- **Drafting of the standard.**
- **Public posting of the draft standard** to allow all parties to review and provide comments on the draft standard. Once the need for the standard has been established by a SAR, comments should focus on aspects of the draft standard itself.
- **Field testing of the draft standard** and measures. The Standards Committee shall determine the need and extent of field testing, considering the recommendations of the NERC compliance program director and the standard drafting team. Field testing may be industry-wide or may consist of one or more lesser-scale demonstrations. Field testing should be cost effective and practical, yet sufficient to ensure clarity of the standard and to validate the requirements, measures, measurement processes, and other elements of the standard necessary to implement the compliance program. For some standards and their associated measures, field testing may not be appropriate, such as those measures that consist of administrative reports.
- **Formal balloting of the standard** for approval by the ballot pool, using the NERC Weighted Segment Voting Model.
- **Re-ballot to consider specific comments** by those submitting comments with negative votes.
- **Adoption by the Board of Trustees.**
- **An appeals mechanism** as appropriate for the impartial handling of substantive and procedural complaints regarding action or inaction related to the standards process.

The first three steps in the process serve to establish consensus on the need for the standard.

Step 1 — Request a Standard or Revision to an Existing Standard

***Objective:** A valid SAR that clearly justifies the purpose and describes the scope of the proposed standard action and conforms to the requirements of a SAR outlined in Appendix A.*

***Sequence Considerations:** Submitting a valid SAR is the first step in proposing a standard action. A requester may prepare a draft of the proposed standard action (Step 5), which the Standards Committee may authorize for concurrent posting with the SAR. This could be useful for a standard action with a clearly defined and limited scope or one for which stakeholder consensus on the need and scope is likely. Complex standards where broad debate of issues is required should be presented in two stages: the SAR first to get agreement on the scope and purpose, and the standard later in Step 6.*

Requests to develop, revise, or withdraw⁵ a reliability standard shall be submitted to the standards process manager by completing a SAR. The SAR is a description of the new or revised standard. The SAR provides sufficiently descriptive detail to clearly define the scope of the standard. The SAR also states the purpose of the standard. A needs statement will provide the detailed justification for the development or revision of the standard, including an assessment of the reliability and market interface impacts of implementing or not implementing the standard. Appendix A provides a sample of the information in a SAR. The standards process manager shall maintain this form and make it available electronically.

Any person or entity directly or materially affected by an existing standard or the need for a new or revised standard may initiate a SAR.

The requester will submit the SAR to the standards process manager electronically and the standards process manager will electronically acknowledge receipt of the SAR. The standards process manager will assist the submitting party in developing the SAR and verify that the SAR conforms to this procedure.

The standards process manager shall forward all properly completed SARs to the Standards Committee. The Standards Committee shall meet at established intervals to review all pending SARs. The frequency of this review process will depend on workload, but in no case shall a properly completed SAR wait for Standards Committee action more than 30 days from the date of receipt. This review will determine if the SAR is sufficiently stated to guide standard development and whether the SAR is consistent with requirements in the procedure. The Standards Committee, guided by the reliability and market interface principles, may take one of the following actions:

- Remand the SAR back to the standards process manager for additional work. In this case, the standards process manager may request additional information for the SAR from the requester and will advise the requester within ten days of the Standards Committee's action regarding the reasons for the remand of the SAR.
- Accept the SAR as a candidate for a new or revised standard, and authorize posting of the SAR for stakeholder comment.
- Reject the SAR. If the Standards Committee rejects a SAR, it will provide a written explanation for rejection to the requester within ten days of the rejection decision.

⁵ Actions in the remaining steps of the standards process apply to proposed new standards, revisions to existing standards, or withdrawal of existing standards, unless explicitly stated otherwise.

If the Standards Committee accepts a SAR as a candidate for a new or revised standard, it may at its discretion appoint a SAR drafting team. The SAR drafting team would be tasked with assisting the requester in further developing the SAR and considering stakeholder comments on that SAR. The Standards Committee may also choose to allow the requester to perform these tasks.

If the Standards Committee remands or rejects a SAR, the requester may file an appeal following the appeals process provided in this procedure.

The status of SARs shall be tracked electronically. The SAR and its status shall be posted for public viewing including any actions or decisions.

Step 2 — Solicit Public Comments on the SAR

***Objective:** Establish that there is stakeholder consensus on the need, scope, and applicability of the requester's proposed standard action.*

***Sequence Considerations:** A SAR may be posted only after completion of Step 1. A SAR may, at the discretion of the Standards Committee, be posted for comment concurrently with a draft standard (Step 6). In this case the draft standard would have a conditional status until the JIC assigns development of the standard to NERC.*

Once a SAR has been accepted by the Standards Committee as a candidate for the development of a new or revised standard, the SAR will be posted for the purpose of soliciting public comments, as soon as practical as determined by the Standards Committee. SARs will be posted and publicly noticed at regularly scheduled intervals. Establishment of a regular time for posting of SARs will allow interested parties to know when to expect the next set of SARs.

Comments on the SARs will be accepted for at least a 30-day period from the notice of posting. Comments will be accepted online using an internet-based application. The standards process manager will provide a copy of the comments to the requester and the SAR drafting team, if one has been appointed. Based on the comments, the requester may decide to submit the SAR for authorization to develop the standard, to withdraw the SAR, or to revise and resubmit it to the standards process manager for another posting, as soon as practical as determined by the Standards Committee. If appointed, the SAR drafting team shall assist the requester in the reviewing comments, determining whether to continue or not, and making any necessary revisions for another posting.

The Standards Committee is responsible for the work flow of standards development. Based on the SAR priority, comments received, and an evaluation of available resources, the Standards Committee will determine the appropriate timing of postings after the initial SAR posting and comment period.

The requester, assisted by the SAR drafting team if one is appointed, shall give prompt consideration to the written views and objections of all participants. An effort to resolve all expressed objections shall be made and each objector shall be advised of the disposition of the objection and the reasons therefore. In addition, each objector shall be informed that an appeals procedure exists within the NERC standards process.

While there is no established limit on the number of times a SAR may be posted for comment, the Standards Committee retains the right to reverse its prior decision and reject a SAR if it believes continued revisions are not productive. Once again, the Standards Committee shall notify the requester in writing of the rejection within ten days and the requester may initiate an appeal using the appeals procedure.

During the SAR comment process, the requester or SAR drafting team may become aware of potential regional variances related to the proposed standard. To the extent possible, any regional variances or exceptions should be made a part of the SAR so that, if the SAR is authorized, such variations will be made a part of the draft new or revised standard.

The requester, up to this point in the development process, may elect to withdraw the request at any time. Once the Standards Committee authorizes development of a standard based on the SAR (Step 3), the requester may no longer withdraw the SAR, as development of the standard becomes the responsibility of the drafting team working on behalf of all stakeholders.

Step 3 — Authorization to Proceed With Drafting a New or Revised Standard

***Objective:** Authorize development of a standard that is consistent with a SAR and for which there is stakeholder consensus on the need, scope, and applicability.*

***Sequence Considerations:** The Standards Committee may formally authorize the development of a standard action only after due consideration of SAR comments to determine there is consensus on the need, scope, and applicability of the proposed standard. This does not preclude, however, the requester from previously preparing a draft standard for consideration and the Standards Committee from authorizing a concurrent posting of the draft standard for comment along with the SAR. If a draft standard is posted for comment concurrently with the SAR, it is with the understanding that further development of the draft standard is conditioned on achieving stakeholder consensus through comments on the associated SAR and assignment of the standard by the JIC to NERC for development.*

After receiving public comments on the SAR, the requester may decide to submit the SAR to the Standards Committee for authorization to draft the standard. The Standards Committee reviews the comments received in response to the SAR and any revisions to the SAR.

Prior to authorizing a standard for development, the Standards Committee will coordinate the proposed standard request with the JIC and request that the JIC assign the standard to NERC for development. The Standards Committee may submit the SAR to the JIC for consideration at any time during Steps 1 or 2.

The Standards Committee, once again considering the reliability and market interface principles and considering the public comments received and their resolution, may then take one of the following actions:

- Authorize drafting the proposed standard or revisions to a standard.
- Reject the SAR with a written explanation to the requester and post that explanation.

If the Standards Committee rejects a SAR, the requester may initiate an appeal.

Once the Standards Committee authorizes development of the standard, the Standards Committee shall assign responsibility for the development of the standard to one or more drafting teams as appropriate. At the time the standard is authorized for development, the requester no longer has responsibility for managing the standard request.

Step 4 — Appoint Standard Drafting Team

***Objective:** Appoint a standard drafting team that has the expertise, competencies, and diversity of views that are necessary to develop the standard.*

Sequence Considerations: *The Standards Committee may appoint a standard drafting team concurrently with or after authorization of the development of a standard (Step 3).*

Once a SAR has been authorized for development of a standard by the Standards Committee, the Standards Committee shall determine the method for populating a standard drafting team. Typically, the Standards Committee would direct the conduct of a public nominations process to populate the standard drafting team. In some cases, the Standards Committee may appoint the members of the SAR drafting team or the requester to act as the standard drafting team. If this method of populating a drafting team is used, the Standards Committee shall still solicit additional members through a public solicitation of nominees and appoint additional members as needed.

The standards process manager shall post a request that interested parties complete a standard drafting team nomination form. Self-nominations shall be acceptable. Those individuals who are nominated shall be considered for appointment to the associated standard drafting team. The standards process manager shall recommend a list of candidates for appointment to the team and shall submit the list to the Standards Committee. The Standards Committee may accept the recommendations of the standards process manager or may select other individuals to serve on the standard drafting team. This team shall consist of a group of people who collectively have the necessary technical expertise and work process skills. The Standards Committee shall appoint the standard drafting team, including its officers. The standards process manager shall assign staff personnel as needed to assist in the drafting of the standard.

The Standards Committee may, in lieu of an open nomination, use the SAR drafting team (if one was appointed) or the requester as the standard drafting team. The Standards Committee should consider this option only if the necessary expertise, competencies, and diversity of views (to respond fairly to comments) is addressed. If the SAR drafting team or requester is not utilized as the standard drafting team, individuals associated with either may be nominated through the open process to join the standard drafting team.

Once it is appointed by the Standards Committee, the standard drafting team is responsible for making recommendations to the Standards Committee regarding the remaining steps in the standards process. The requester may continue to assist the drafting team and participate in the standards process.

The Standards Committee may decide that more than one drafting team is required for a standard action and divide the SAR into multiple efforts. The Standards Committee may also supplement the membership of a standard drafting team at any time to ensure the necessary competencies and diversity of views are maintained throughout the standard development effort.

Step 5 — Draft New or Revised Standard

Objective: *Develop a standard within the scope of the SAR.*

Sequence Considerations: *Generally development of the draft standard follows the authorization by the Standards Committee (Step 3) and appointment of a standard drafting team (Step 4). Steps 5 and 6 may be iterated as necessary to consider stakeholder comments and build consensus on the draft standard.*

The appointed standard drafting team will develop a draft of the standard. In addition to drafting the text of the standard, development may include research, analysis, information gathering, testing, and other activities. The drafting of measures and compliance elements of the standard will be coordinated with the compliance program.

The drafting team may use a draft standard submitted by the requester as its initial draft, if one was submitted by the requester concurrently with the SAR.

Once the standard has been drafted, the standards process manager will review the standard for consistency of quality and completeness. The standards process manager will also ensure the draft standard is within the scope and purpose identified in the SAR. This review should occur within a 30-day period of the submittal of the draft standard. Once the standards process manager has completed this review, the new or revised standard will be submitted to the Standards Committee to request posting for public comment.

The Standards Committee should authorize posting of draft standards in a timely manner, but may consider priorities among various standards actions and the ability of stakeholders to review multiple actions at the same time. The Standards Committee will approve the posting and set the posting start and end dates.

If the standard drafting team determines that the scope of the SAR is inappropriate based on its own work and stakeholder comments, the team shall notify the Standards Committee. The drafting team may recommend the scope of the standard be reduced to allow the effort to continue forward, while still remaining within the scope of the SAR. Reducing the scope defined in the SAR is acceptable if the drafting team finds, for instance, that additional technical research is needed prior to developing a portion of the standard or issues need to be resolved before consensus can be achieved on a portion of the standard. In this case, the drafting team shall provide detailed justification of need for reducing the scope. The Standards Committee, based on the drafting team recommendation and a review of stakeholder comments, will determine if the change in scope is acceptable.

If the standard drafting team determines it is necessary to expand the scope of the standard or to modify the scope in a way that is no longer consistent with the scope defined in the SAR, then the drafting team may initiate or recommend another requester initiate a new SAR (Step 1) to develop the expanded or modified scope. At no time will a drafting team develop a standard that is not within the scope of the SAR that was authorized for development.

Step 6 — Solicit Public Comments on Draft Standard

***Objective:** Receive stakeholder inputs on the draft standard for the purpose of assessing consensus on the draft standard, and modifying the draft standard as needed to improve consensus.*

***Sequence Considerations:** The posting of a draft standard will typically occur after the appointment of a standard drafting team and development of a draft by the team. Alternatively, a draft standard submitted by the requester may be posted for comment concurrently with the associated SAR, with the condition that the SAR and draft standard meet the requirements of this procedure and are consistent with each other. In all cases, public comments on the draft standard must be solicited prior to Standards Committee approving the standard going to ballot (Step 9).*

Once the Standards Committee approves the posting of a draft standard and sets the posting start and end dates, the standards process manager will post the draft standard in the next regular posting interval for the purpose of soliciting public comments. The posting of the draft standard will be linked to the SAR for reference. Comments on the draft standard will be accepted for at least one 45-day period from the notice of posting. Additional posting periods may be set by the Standards Committee and shall be at least 30 days. Comments will be accepted online using an internet-based application along with other electronic means as necessary.

Since the need for the standard was established by authorization of the SAR, comments at this stage should identify specific issues with the draft standard and propose alternative language. The comments may include recommendations to accept or reject the standard and reasons for that recommendation.

The drafting team shall develop an implementation plan for the standard to be posted with the standard for at least one stakeholder comment period. Once the implementation plan has been developed and posted for stakeholder comment, it shall remain part of the standard action for subsequent postings and shall be included on the ballot for the standard. The implementation plan shall describe when the standard will become effective. If the implementation is to be phased, the plan will describe which elements of the standard are to be applied to each class of responsible entities, and when. The plan will describe any deployment considerations unique to the standard, such as computer applications, measurement devices, databases, or training, as well as any other special steps necessary to prepare for and initially implement the standard.

Step 7 — Field Testing

***Objective:** Determine what testing is required to validate the concepts, requirements, measures, and compliance elements of the standard and implement that testing.*

***Sequence Considerations:** Testing may be completed during or after Steps 1 through 6. Testing and associated analysis of results (Step 8) must be completed prior to determining whether to submit the standard to ballot (Step 9).*

Taking into consideration stakeholder comments received through Step 6, the standard drafting team may recommend to the Standards Committee that a test of one or more aspects of a standard is needed. The NERC compliance program director will also evaluate whether field testing of the compliance elements of the proposed new or revised standard is needed and advise the Standards Committee. The Standards Committee will approve all field tests of proposed standards based on the recommendations of the standard drafting team and the compliance program director. If needed, the Standards Committee will also request inputs on technical matters from applicable committees or other experts, and as applicable, request the assistance of the compliance organization to conduct and evaluate the field test.

Once the field testing plan is approved, the standards process manager will, under the direction of the Standards Committee, oversee the field testing of the standard.

In some cases, measurement may be an administrative task and no field testing is required at all. In other cases, one or more limited-scale demonstrations may be sufficient. Comments may be solicited during the field test period.

Step 8 — Analysis of the Comments and Field Test Results

***Objective:** Evaluate stakeholder comments and field test results to determine if there is consensus that the proposed standard should go to ballot or requires additional work.*

***Sequence Considerations:** This step follows Steps 6 and 7 and must precede Step 9.*

The standards process manager will assemble the comments on the draft standard and distribute those comments to the standard drafting team and the requester. The standard drafting team, assisted by the requester, shall give prompt consideration to the written views and objections of all participants. An effort to resolve all expressed objections shall be made, and each objector shall be advised of the disposition of the objection and the reasons therefore, in addition to public posting of the responses. In

addition, each objector shall be informed that an appeals process exists within the NERC standards procedure.

Based on comments received, the standard drafting team may determine there is an opportunity to improve consensus for the standard. In this case, the standard drafting team may elect to return to Step 5 and revise the draft for another posting. Although there is no predetermined limit on the number of times a draft standard may be revised and posted, the standard drafting team should ensure the potential benefits of another posting outweigh the burden on the drafting team and stakeholders. Returning to Step 5 to continue working on the standard is the prerogative of the standard drafting team, subject to Standards Committee oversight.

If the standard drafting team determines the draft standard is ready for ballot, the drafting team shall submit the draft standard to the Standards Committee with a request to proceed to balloting, along with the comments received, responses to the comments, and a summary of minority views. Based on the comments received and field testing, the standard drafting team may include revisions that are not substantive. Substantive changes to a draft standard shall not be permitted between the last posting for stakeholder comment and submittal for ballot. A substantive change is one that directly and materially affects the effect or use of the standard. Any non-substantive changes made prior to going to ballot shall be identified to stakeholders at the time of the ballot notice.

When the Standards Committee receives a draft standard that is recommended for ballot, the Standards Committee will review the standard and recommendations of the standards process manager to ensure that the proposed standard is consistent with the scope of the SAR; addresses all of the objectives and requirements cited in Steps 1 to 8, as applicable; has an implementation plan; and is compatible with other existing standards. If the proposed standard does not pass this review, the Standards Committee shall remand the proposed standard to the standard drafting team to address the deficiencies. If the proposed standard passes the review, the Standards Committee shall set the proposed standard for ballot as soon as the work flow will accommodate.

If the drafting team determines there is insufficient consensus to ballot the standard and that further work is unlikely to achieve consensus, the drafting team may recommend to the Standards Committee that the standard drafting be terminated and the SAR withdrawn. The Standards Committee will consider the recommendation of the drafting team and stakeholder comments and may terminate the standard drafting and accept the withdrawal of the SAR. If the Standards Committee believes the recommendation is unsubstantiated, the Standards Committee may direct other actions consistent with this procedure, such as requesting the drafting team to continue or appointing a new drafting team.

Step 9 — Ballot the New or Revised Standard

Objective: Approve the proposed standard by vote of industry stakeholders.

Sequence Considerations: The Standards Committee shall determine that all requirements of Steps 1 through 8 have been satisfactorily met before authorizing an action to go to ballot.

Ballot Pool

The standards process manager shall establish a ballot pool for a standard action at least 30 days prior to the start of a ballot. The standards process manager shall send a notice to every entity in the Registered Ballot Body. The purpose of this notice is to establish a ballot pool to participate in the consensus development process and ballot the proposed standards action. The ballot pool may be established earlier in the standards development process to encourage active participation in the development process.

Any member of the Registered Ballot Body may join or drop out of a ballot pool until the ballot period begins (Step 9). No Registered Ballot Body member may join or leave the ballot pool once the first ballot starts, including between the first ballot and a recirculation ballot. The standards process manager shall coordinate changes to the membership of the ballot pool and publicly post the standard ballot pool for each standard action.

First Ballot

If a decision is made to submit the draft standard to a vote, the draft standard, all comments received, and the responses to those comments shall be posted electronically to the ballot pool and noticed at least 30 days prior to the start of the ballot.

The ballot will be conducted electronically. Each standard has its own ballot pool and all members of the ballot pool shall be eligible to vote on the associated standard. The time window for voting will be designated when the draft standard is posted to the ballot pool. In no case will the voting time window start sooner than 30 days from the notice of the posting to the ballot pool. Typically, the voting time window will be a period of ten days. This provides a minimum of 40 days from the initial notice until the end of the voting period.

Approval of a reliability standard or revision to a reliability standard requires both:

- A quorum, which is established by at least 75% of the members of the ballot pool submitting a response with an affirmative vote, a negative vote, or an abstention⁶; and
- A two-thirds majority of the weighted segment votes cast must be affirmative. The number of votes cast is the sum of affirmative and negative votes, excluding abstentions and non-responses.

The following process is used to determine if there are sufficient affirmative votes. (See Appendix C, “Examples of Weighted Segment Voting Calculation.”):

- The number of affirmative votes cast in each segment will be divided by the sum of affirmative and negative votes cast to determine the fractional affirmative vote for each segment. Abstentions and non-responses will not be counted for the purposes of determining the fractional affirmative vote for a segment.
- If there are less than ten entities that vote in a segment, the vote weight of that segment shall be proportionally reduced. Each voter within that segment voting affirmative or negative shall receive a weight of 10% of the segment vote. For segments with ten or more voters, the regular voting procedure would prevail.
- The sum of the fractional affirmative votes from all segments divided by the number of segments voting⁷ will be used to determine if a two-thirds majority has been achieved. (A segment will be

⁶ If a quorum of the ballot pool is not established, the standard will be balloted a second time, allowing a 15-business day period for the ballot. Should a quorum not be established with the second ballot, the standards process manager would re-survey the Registered Ballot Body to establish interest in participating in a ballot on the standard in accordance with the procedures for ballot pool formation. A re-ballot of the standard will take place with the revised standard ballot pool.

⁷ When less than ten entities vote in a segment, the total weight for that segment shall be determined as one tenth per entity voting, up to ten.

considered as “voting” if any member of the segment in the ballot pool casts either an affirmative or a negative vote.)

- A standard will be approved if the sum of fractional affirmative votes from all segments divided by the number of voting segments is greater than two thirds.

Each member of the ballot pool may vote on one of the following positions:

- Affirmative
- Affirmative, with comment
- Negative, with or without reasons (the reasons for a negative vote may be given and if possible should include specific wording or actions that would resolve the objection)
- Abstain

Members of the ballot pool should submit any comments on the proposed standard during the public comment period. If any comments are received during the ballot period, they shall be addressed in accordance with Step 8 and included with the recirculation ballot. The standards process manager shall facilitate the standard drafting team, assisted by the requester, in preparing a response to all votes submitted with reasons. The member submitting a vote with reasons will determine if the response provided satisfies those reasons. In addition, each objector shall be informed that an appeals process exists within the NERC standards process. A negative vote that does not contain a statement of reason does not require a response.

If there are no negative votes with reasons from the first ballot, then the results of the first ballot shall stand. If, however, one or more members submit negative votes with reasons, regardless whether those reasons are resolved or not, a second ballot shall be conducted.

Second Ballot

In the second ballot (also called a “recirculation ballot”), members of the ballot pool shall again be presented the proposed standard (unchanged from the first ballot) along with the reasons for negative votes, the responses, and any resolution of the differences. All members of the ballot pool shall be permitted to reconsider and change their vote from the first ballot. Members of the ballot pool that did not respond to the first ballot shall be permitted to vote in the second ballot. In the second ballot, votes will be counted by exception only — members on the second ballot may indicate a revision to their original vote; otherwise their vote shall remain the same as in the first ballot. If a second ballot is conducted, the results of the second ballot shall determine the status of the standard, regardless of the outcome of the first ballot.

The voting time window for the second ballot is once again ten days. The 30-day posting is not required for the second ballot. Members of the ballot pool may submit comments in the second ballot but no response is required.

In the second ballot step, no revisions to the standard are permitted; as such revisions would not have been subject to public comment. However, if the Standards Committee determines that revisions proposed during the ballot process would likely provide an opportunity to achieve consensus on the standard, then such revisions may be made and the draft standard posted for public comment again beginning with Step 6 and continuing with subsequent steps.

The standards process manager shall post the final outcome of the ballot process. If the standard is rejected, the process is ended and any further work in this area would require a new SAR. If the standard

is approved, the consensus standard will be posted and presented to the Board of Trustees for adoption by NERC.

Step 10 — Adoption of the Reliability Standard by the Board

***Objective:** To have the Board of Trustees adopt the standard as a NERC standard, and adopt the associated implementation plan.*

***Sequence Considerations:** The 30-day notice prior to action by the Board of Trustees may begin concurrently with or any time after the start of the first ballot. The 30-day period shall not end any sooner than the end of the final ballot.*

A reliability standard submitted for adoption by the Board of Trustees must be publicly posted and noticed at least 30 days prior to action by the Board of Trustees. At a regular or special meeting, the Board of Trustees shall consider adoption of the proposed reliability standard. The board shall consider the results of the balloting and dissenting opinions. The board shall consider any advice offered by the NERC Member Representatives Committee. The board shall adopt or reject a standard, but may not modify a proposed reliability standard. If the board chooses not to adopt a standard, it shall provide its reasons for not doing so.

Once the board has approved a reliability standard, the board will direct the standard to be filed with applicable governmental authorities in the United States, Canada, and Mexico for approval.

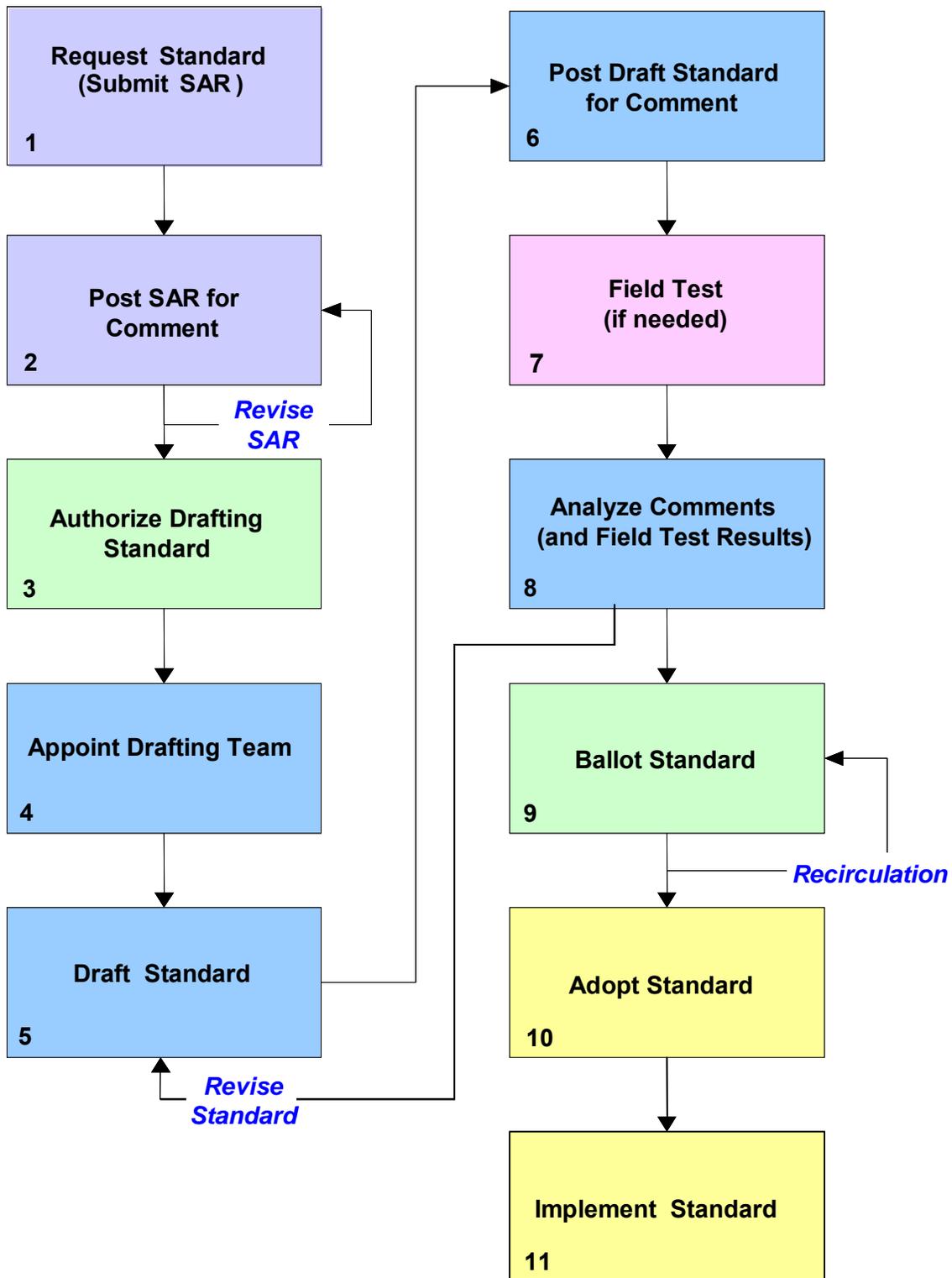
Step 11 — Implementation of Reliability Standard

***Objective:** Industry stakeholders use the standard and the compliance program incorporates the standard into its compliance monitoring and enforcement.*

***Sequence Considerations:** The effective date of a standard is defined in the standard implementation plan.*

Once a reliability standard is approved or otherwise made mandatory by applicable governmental authorities, all persons and organizations subject to the reliability jurisdiction are required to comply with the standard in accordance with applicable statutes, regulations, and agreements. After approval of a reliability standard by the applicable governmental authorities, the standard will be forwarded to the compliance program for compliance monitoring and enforcement.

Process Diagram



Special Procedures

Urgent and Emergency Actions

Under certain conditions, the Standards Committee may designate a proposed standard or revision to a standard as requiring urgent action. Urgent action may be appropriate when a delay in implementing a proposed standard or revision can materially impact the reliability or security of the bulk power systems or be inconsistent with statutory or regulatory requirements for reliability standards, such as by causing adverse impacts on markets or undue discrimination. The Standards Committee must use its judgment carefully to ensure an urgent action is truly necessary and not simply an expedient way to change or implement a standard.

A requester prepares a SAR and a draft of the proposed standard and submits both to the standards process manager. The SAR must include a justification for urgent action. The standards process manager submits the request to the Standards Committee for its consideration. If the Standards Committee designates the requested standard or revision as an urgent action item, then the standards process manager shall immediately seek participants for a ballot pool (as described in Step 3 of the process) and shall post the pre-ballot draft. This posting requires a minimum 30-day posting period before the ballot and applies the same voting procedure as described in Step 9.

After making a written finding that an extraordinary and immediate threat exists to bulk power system reliability or National security, the NERC board shall have the discretion to take the following emergency actions to further expedite the urgent action procedure described above:

- Reduce or suspend the 30-day pre-ballot review of a proposed emergency standard.
- Reduce the time period for voting by stakeholders to 5 days for the initial ballot, and if necessary 5 days for the recirculation ballot.

If a standard is adopted through an urgent or emergency action, one of the following three actions must occur:

- If the urgent or emergency action standard is to be made permanent without substantive changes, then the standard must proceed through the regular standards development process to be balloted by stakeholders within one year of the urgent or emergency action approval by stakeholders.
- If the urgent or emergency action standard is to be substantively revised or replaced by a new standard, then a request for the new or revised standard must be initiated as soon as practical after the urgent or emergency action ballot and the standard must proceed through the regular standards development process to be balloted by stakeholders as soon as practical within two years of the urgent or emergency action approval by stakeholders.
- The urgent or emergency action standard may be withdrawn through the regular process by a ballot of the stakeholders within two years.

Interpretations of Standards

All persons who are directly and materially affected by the reliability of the North American bulk power systems shall be permitted to request an interpretation of the standard. The person requesting an interpretation will send a request to the standards process manager explaining the specific circumstances surrounding the request and what clarifications are required as applied to those circumstances. The

request should indicate the material impact to the requesting party or others caused by the lack of clarity or a possibly incorrect interpretation of the standard.

The standards process manager will assemble a team with the relevant expertise to address the clarification. The standards process manager shall also form a ballot pool.

As soon as practical (not more than 45 days), the team will draft a written interpretation to the standard addressing the issues raised. Balloting shall take place as described in Step 9 of this procedure. If approved, the interpretation is appended to the standard and shall be filed with the applicable regulatory authorities and becomes effective when approved by those regulatory authorities. The interpretation will stand until such time as the standard is revised through the normal process, at which time the standard will be modified to incorporate the clarifications provided by the interpretation.

Variances to NERC Reliability Standards

Regional reliability organizations, regional entities, regional transmission organizations, market operators and other bulk power system owners, operators, and users may have valid justification to request approval for a variance from a NERC reliability standard. For example, there may be a need for a variance based on a physical difference in the bulk power system.

All variances from NERC reliability standards that are approved by NERC shall be made part of NERC reliability standards. No variances shall be permitted without approval of NERC. No regional entity or bulk power system owner, operator, or user shall claim an exemption to a NERC reliability standard without approval of such a variance through the applicable procedure described below:

- **Entity Variance** — Any variance from a NERC reliability standard that is proposed to apply to one entity or a subset of entities within a limited portion of a regional entity, such as a variance that would apply to a regional transmission organization or particular market or to a subset of bulk power system owners, operators, or users, shall be approved through the regular standards development process defined in the *NERC Reliability Standards Development Procedure* and shall be made part of the applicable NERC reliability standard.
- **Regional Variance Less Than an Interconnection** — Any regional variance from a NERC reliability standard that is proposed to apply for a regional entity, but not for an interconnection, shall be approved through the *NERC Reliability Standards Development Procedure*, except that only members of the registered ballot body located in the affected interconnection shall be permitted to vote; and the variance shall be made part of the applicable NERC reliability standard.
- **Regional Variance on an Interconnection-wide Basis** — An interconnection-wide regional variance from a NERC reliability standard that is determined by NERC to be just, reasonable, and not unduly discriminatory or preferential, and in the public interest, and consistent with other applicable standards of governmental authorities shall be made part of the NERC reliability standard. NERC shall rebuttably presume that a regional variance from a NERC reliability standard that is developed, in accordance with a procedure approved by NERC, by a regional entity organized on an interconnection-wide basis, is just, reasonable, and not unduly discriminatory or preferential, and in the public interest.

Variances should be identified and considered when a SAR is posted for comment. Variances should also be considered in the drafting of a standard, with the intent to make any necessary variances a part of the

initial development of a standard. The public posting allows for all impacted parties to identify the requirements of a NERC reliability standard that might require a variance.

Appeals

Persons who have directly and materially affected interests and who have been or will be adversely affected by any substantive or procedural action or inaction related to the development, approval, revision, reaffirmation, or withdrawal of a reliability standard shall have the right to appeal. This appeals process applies only to the NERC reliability standards process as defined in this procedure.

The burden of proof to show adverse effect shall be on the appellant. Appeals shall be made within 30 days of the date of the action purported to cause the adverse effect, except appeals for inaction, which may be made at any time. In all cases, the request for appeal must be made prior to the next step in the process.

The final decisions of any appeal shall be documented in writing and made public.

The appeals process provides two levels, with the goal of expeditiously resolving the issue to the satisfaction of the participants:

Level 1 Appeal

Level 1 is the required first step in the appeals process. The appellant submits to the standards process manager a complaint in writing that describes the substantive or procedural action or inaction associated with a reliability standard or the standards process. The appellant describes in the complaint the actual or potential adverse impact to the appellant. Assisted by any necessary staff and committee resources, the standards process manager shall prepare a written response addressed to the appellant as soon as practical but not more than 45 days after receipt of the complaint. If the appellant accepts the response as a satisfactory resolution of the issue, both the complaint and response will be made a part of the public record associated with the standard.

Level 2 Appeal

If after the Level 1 Appeal the appellant remains unsatisfied with the resolution, as indicated by the appellant in writing to the standards process manager, the standards process manager shall convene a Level 2 Appeals Panel. This panel shall consist of five members total appointed by the Board of Trustees. In all cases, Level 2 Appeals Panel members shall have no direct affiliation with the participants in the appeal.

The standards process manager shall post the complaint and other relevant materials and provide at least 30 days notice of the meeting of the Level 2 Appeals Panel. In addition to the appellant, any person that is directly and materially affected by the substantive or procedural action or inaction referenced in the complaint shall be heard by the panel. The panel shall not consider any expansion of the scope of the appeal that was not presented in the Level 1 Appeal. The panel may in its decision find for the appellant and remand the issue to the Standards Committee with a statement of the issues and facts in regard to which fair and equitable action was not taken. The panel may find against the appellant with a specific statement of the facts that demonstrate fair and equitable treatment of the appellant and the appellant's objections. The panel may not, however, revise, approve, disapprove, or adopt a reliability standard, as these responsibilities remain with the standard's ballot pool and Board of Trustees respectively. The actions of the Level 2 Appeals Panel shall be publicly posted.

NERC Reliability Standards Development Procedure

In addition to the foregoing, a procedural objection that has not been resolved may be submitted to the Board of Trustees for consideration at the time the board decides whether to adopt a particular reliability standard. The objection must be in writing, signed by an officer of the objecting entity, and contain a concise statement of the relief requested and a clear demonstration of the facts that justify that relief. The objection must be filed no later than 30 days after the announcement of the vote by the ballot pool on the reliability standard in question.

Maintenance of Reliability Standards and Process

Parliamentary Procedures

Except as required by this procedure or other NERC documents, all meetings conducted as part of the standards process shall be guided by the latest version of Robert's Rules of Order.

Process Revisions

Requests to Revise the Reliability Standards Development Procedure

Any person or entity, including the Standards Committee, may submit a written request to modify the Reliability Standards Development Procedure. The Standards Committee shall oversee the handling of the request. The Standards Committee shall prioritize all requests, merge related requests, and respond to each requester within 90 days. The Standards Committee shall classify each request into one of two types: 1) a procedural/administrative revision, or 2) a change affecting one or more "fundamental tenets" (described later).

Abbreviated Process for Procedural/Administrative Changes

The Standards Committee shall handle all procedural/administrative requests using an abbreviated process described here. The Standards Committee shall post all proposed procedural/administrative revisions to the Reliability Standards Development Procedure for a 30-day public comment period. The Standards Committee shall consider all comments received and modify the proposed revisions as needed. Based on the degree of consensus for the revisions, the Standards Committee may:

- a. Submit the revised procedure directly to the board for adoption;
- b. Submit the revised procedure for ballot pool approval prior to submitting it for board adoption (the regular voting process in the procedure, including a recirculation ballot if needed, would be used and the results of the ballot would be binding on the decision to move the revisions to the board or not);
- c. Propose additional changes and repeat the posting for further comment;
- d. Remand the proposal to the requester for further work; or
- e. Reject the proposal.
- f. The Standards Committee shall post any proposed revisions submitted for board adoption for a period of 30 days prior to board action. The Standards Committee shall submit to the board a description of the basis for the procedure changes, a summary of the comments received, and any minority views expressed in the comment process. The proposed procedure revisions will be effective upon board adoption, or another date designated by the board.

Fundamental Tenets

Certain provisions of the Reliability Standards Development Procedure are considered fundamental tenets and shall be handled using the full approval process described below. These fundamental tenets shall be modifiable only by approval of the Registered Ballot Body as indicated by vote of a ballot pool. These fundamental tenets include the following:

- Purpose (page 4)

- Authority (page 4)
- Definition of a Reliability Standard (page 6)
- Characteristics of a Reliability Standard (page 6)
- Elements of a Reliability Standard (page 6)
- Registered Ballot Body (page 11)
- Ballot Pool (page 12)
- Committees, Subcommittees, Working Groups, and Task Forces (page 12)
- Reliability Standards Consensus Development Process (page 14)
- Step 9 — Ballot the New or Revised Standard (pages 21–23)
- Step 10 — Adoption of the Reliability Standard by the Board (pages 23–24)
- Urgent and Emergency Actions (page 26)
- Variances to NERC Reliability Standards (page 27)
- Regional Reliability Standards (This section was removed from Version 6 because it is covered in the ERO rules.)
- Criteria for regional variances (pages 25–26)
- Appeals (pages 28–29)
- Process Revisions (pages 30–31)
- Registration Procedures (page 39)
- Segment Qualification Guidelines (pages 39–40)
- Segments (pages 40–41)

Process for Changing Fundamental Tenets

When proceeding with a proposed revision to the Reliability Standards Development Procedure affecting one or more fundamental tenets, the Standards Committee shall use a full approval process. The Standards Committee shall post the proposed revisions for a 45-day public comment period. Based on the degree of consensus for the revisions, the Standards Committee may:

- a. Submit the revised procedure for ballot pool approval;
- b. Repeat the posting for additional inputs after making changes based on comments received;
- c. Remand the proposal to the requester for further work; or
- d. Reject the proposal.

The Registered Ballot Body shall be represented by a ballot pool. The ballot procedure shall be the same as that defined for approval of a standard, including the use of a recirculation ballot if needed. If the proposed revision is approved by the ballot pool, the Standards Committee shall submit the revised procedure to the board for adoption. The Standards Committee shall post any proposed revisions submitted for board adoption for a period of 30 days prior to board action. The Standards Committee shall submit to the board a description of the basis for the procedure changes, a summary of the comments received, and any minority views expressed in the comment and ballot process. The proposed procedure revisions will be effective upon board adoption, or another date designated by the board.

The Board of Trustees endorsed the industry segments and weighted segment voting model described in Appendix B of the Reliability Standards Development Procedure and reserves the right to change the segments and the weighted segment voting model from time to time at its discretion. This does not preclude others from requesting a change to the segments or weighted segment voting model through the process described here.

Appeals

Persons who have directly or materially affected interests and who have been or will be adversely affected by any substantive or procedural action or inaction related to revision of the Reliability Standards Development Procedure shall have the right to appeal, using the process described under appeals.

Standards Process Accreditation

NERC shall seek continuing ANSI accreditation of the standards process defined by this procedure. The standards process manager shall be responsible for administering the accreditation application and maintenance process. NERC staff shall submit revisions to the Reliability Standards Development Procedure to ANSI as needed to maintain NERC's status as an ANSI-accredited standards developer.

Five-Year Review

Each reliability standard shall be reviewed at least once every five years from the effective date of the standard or the latest revision to the standard, whichever is later. The standard process manager shall recommend to the Standards Committee a schedule and plan for the five-year review of reliability standards.

The Standards Committee shall, using the drafting team procedures described previously, appoint one or more review teams of technical experts. As a result of this review, each review team shall recommend and provide justification to the Standards Committee that the reliability standard should be reaffirmed, revised, or withdrawn. The review team shall post its recommendations for public comment and provide the public comments to the Standards Committee for consideration.

The Standards Committee may, upon review of the documentation supporting the justification, accept a recommendation to reaffirm the standard. The reaffirmation shall be submitted to the Board of Trustees for approval. In the case of reaffirmation of a standard, the standard will remain in effect until the next five-year review or until the standard is otherwise modified or withdrawn by a separate action. Reaffirmation does not require approval by stakeholder ballot, although reaffirmation does not preclude any person or entity from requesting to modify or withdraw a standard at any time by submitting a SAR into the regular process.

If the review team recommends a standard should be modified or withdrawn, the team shall initiate a SAR with such a proposal and the SAR shall be acted upon in accordance with this standards development procedure. Each existing standard recommended for modification or withdrawal shall remain in effect until the action to modify or withdraw the standard is approved by a ballot of the stakeholders, the Board of Trustees, and any applicable governmental authorities.

Online Standards Information System

The standards process manager shall be responsible for maintaining an electronic database of information regarding currently proposed and currently in effect reliability standards. This information shall include current standards in effect, proposed revisions to standards, and proposed new standards. This

information shall provide a record, for at a minimum the previous five years, of the review and approval process for each reliability standard, including public comments received during the development and approval process. This information shall be available through public internet access.

Archived Standards Information

The standards process manager shall be responsible for maintaining a historical record of reliability standards information that is no longer maintained online. For example, standards that expired or were replaced may be removed from the online system. Also, SARs that are no longer being considered in the standards process may be placed in the archived records. Archived information shall be retained indefinitely as practical, but in no case less than five years or one complete standard cycle from the date on which the standard was no longer in effect. Archived records of standards information shall be available electronically within 30 days following the receipt by the standards process manager of a written request.

Numbering System

The standards process manager shall establish and maintain a system of identification numbers that allow reliability standards to be categorized and easily referenced.

Supporting Documents

The following documents may be developed to support a reliability standard. These documents may explain or facilitate implementation of standards but do not themselves contain mandatory requirements subject to compliance review. Any requirements that are mandatory shall be incorporated into the standard in the standard development process. For example, a procedure that must be followed as written must be incorporated into a reliability standard. If the procedure defines one way, but not necessarily the only way, to implement a standard it is more appropriately a reference.

The Standards Committee shall authorize the posting of all supporting references to be posted with or referenced from the standards. This does not imply the Standards Committee must approve each such reference or its contents. Such authorization may be granted at any time during the development or implementation of the standard.

Type of Document	Description
Implementation Plan	The implementation plan shall describe when the standard will become effective. If the implementation is to be phased, the plan will describe which elements of the standard are to be applied to each class of responsible entities, and when. The plan will describe any deployment considerations unique to the standard, such as computer applications, measurement devices, databases, or training, as well as any other special steps necessary to prepare for and initially implement the standard.
Reference	Descriptive, technical information or analysis or explanatory information to support the understanding and interpretation of a reliability standard. A standard reference may support the implementation of a reliability standard or satisfy another purpose consistent with the reliability and market interface principles.
Supplement	Data forms, pro forma documents, and associated instructions that support the implementation of a reliability standard.
Training Material	Training materials that may support the implementation of a reliability standard or satisfy another purpose consistent with the reliability and market interface principles.
Procedure	Step-wise instructions defining a particular process or operation. Procedures may support the implementation of a reliability standard or satisfy another purpose consistent with the reliability and market interface principles.
White Paper	An informal paper stating a position or concept. A white paper may be used to propose preliminary concepts for a standard or one of the documents above.

Appendix A — Information in a Standard Authorization Request

The table below provides a representative example⁸ of information in a Standard Authorization Request. The standards process manager shall be responsible for implementing and maintaining a form similar to this template, as needed to support the information requirements of the standards process.

Standard Authorization Request Form

Title of Proposed Standard:
Request Date:

SAR Requester Information

Name:	SAR Type (Check one box.)
Company:	<input type="checkbox"/> New Standard
Telephone:	<input type="checkbox"/> Revision to Existing Standard
Fax:	<input type="checkbox"/> Withdrawal of Existing Standard
E-mail:	<input type="checkbox"/> Urgent Action

Purpose (Describe the purpose of the proposed standard – what the standard will achieve in support of reliability.)
--

Industry Need (Provide a detailed statement justifying the need for the proposed standard, along with any supporting documentation.)

⁸ The latest version of this form can be downloaded from the NERC standards development Web page:
<http://www.nerc.com/~filez/sar.html>

Brief Description (Describe the proposed standard in sufficient detail to clearly define the scope in a manner that can be easily understood by others.)

Reliability Functions

The Standard will Apply to the Following Functions (Check all applicable boxes.)		
<input type="checkbox"/>	Reliability Coordinator	The entity that is the highest level of authority who is responsible for the reliable operation of the Bulk Electric System, has the Wide Area view of the Bulk Electric System, and has the operating tools, processes and procedures, including the authority to prevent or mitigate emergency operating situations in both next-day analysis and real-time operations. The Reliability Coordinator has the purview that is broad enough to enable the calculation of Interconnection Reliability Operating Limits, which may be based on the operating parameters of transmission systems beyond any Transmission Operator's vision.
<input type="checkbox"/>	Balancing Authority	The responsible entity that integrates resource plans ahead of time, maintains load-interchange-generation balance within a Balancing Authority Area, and supports Interconnection frequency in real time.
<input type="checkbox"/>	Interchange Authority	Authorizes valid and balanced Interchange Schedules.
<input type="checkbox"/>	Planning Authority	The responsible entity that coordinates and integrates transmission facility and service plans, resource plans, and protection systems.
<input type="checkbox"/>	Transmission Service Provider	The entity that administers the transmission tariff and provides Transmission Service to Transmission Customers under applicable transmission service agreements.
<input type="checkbox"/>	Transmission Owner	The entity that owns and maintains transmission facilities.
<input type="checkbox"/>	Transmission Operator	The entity responsible for the reliability of its "local" transmission system, and that operates or directs the operations of the transmission facilities.
<input type="checkbox"/>	Transmission Planner	The entity that develops a long-term (generally one year and beyond) plan for the reliability (adequacy) of the interconnected bulk electric transmission systems within its portion of the Planning Authority Area.
<input type="checkbox"/>	Resource Planner	The entity that develops a long-term (generally one year and beyond) plan for the resource adequacy of specific loads (customer demand and energy requirements) within a Planning Authority Area.
<input type="checkbox"/>	Generator Operator	The entity that operates generating unit(s) and performs the functions of supplying energy and Interconnected Operations Services.
<input type="checkbox"/>	Generator Owner	Entity that owns and maintains generating units.
<input type="checkbox"/>	Purchasing-Selling Entity	The entity that purchases or sells, and takes title to, energy, capacity, and Interconnected Operations Services. Purchasing-Selling Entities may be affiliated or unaffiliated merchants and may or may not own generating facilities.

NERC Reliability Standards Development Procedure

<input type="checkbox"/>	Distribution Provider	Provides and operates the “wires” between the transmission system and the customer.
<input type="checkbox"/>	Load-Serving Entity	Secures energy and transmission service (and related Interconnected Operations Services) to serve the electrical demand and energy requirements of its end-use customers.

Reliability and Market Interface Principles

Applicable Reliability Principles (Check all boxes that apply.)	
<input 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 type="checkbox"/>	7. The reliability of the interconnected bulk power systems shall be assessed, monitored, and maintained on a wide-area basis.
<input type="checkbox"/>	8. Bulk power systems shall be protected from malicious physical or cyber attacks.
Does the proposed Standard comply with all of the following Market Interface Principles? (Select ‘yes’ or ‘no’ from the drop-down box.)	
Recognizing that reliability is an essential requirement of a robust North American economy:	
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	

Detailed Description (Provide enough detail so that an independent entity familiar with the industry could draft a standard based on this description.)

Related Standards

Standard No.	Explanation

Related SARs

SAR ID	Explanation

Regional Variances

Region	Explanation
ERCOT	
FRCC	
MRO	
NPCC	
RFC	
SERC	
SPP	
WECC	

Appendix B — Development of the Registered Ballot Body⁹

Registration Procedures

The Registered Ballot Body comprises all organizations and entities that:

1. Qualify for one of the segments, and
2. Are registered with NERC as potential ballot participants in the voting on standards, and
3. Are current with any designated fees.

Each participant, when initially registering to join the Registered Ballot Body, and annually thereafter, will self-select to belong to one of the segments described above.

NERC general counsel will review all applications for joining the Registered Ballot Body, and make a determination of whether the self-selection satisfies at least one of the guidelines to belong to that segment. The entity will then be “credentialed” to participate as a voting member of that segment. The Standards Committee will decide disputes, with an appeal to the Board of Trustees.

All registrations will be done electronically.

Segment Qualification Guidelines

The segment qualification guidelines are inclusive; i.e., any entity with a legitimate interest in the reliability of the bulk power system that can meet any one of the guidelines for a segment is entitled to belong to and vote in that segment.

The general guidelines for all segments are:

- Corporations or organizations with integrated operations or with affiliates that qualify to belong to more than one segment (e.g., transmission owners and load serving entities) may belong to each of the segments in which they qualify, provided that each segment constitutes a separate membership and is represented by a different representative.
- At any given time, affiliated entities may collectively be registered only once within a segment.
- Any person or entity, such as a consultant or vendor, providing products or services related to bulk power system reliability within the previous 12 months to another entity eligible to join Segments 1 to 7 shall be qualified to join any one segment for which one of the entities receiving those products or services is qualified to join.
- Corporations, organizations, and entities may participate freely in all subgroups.
- After their initial selection, registered participants may apply to change segments annually, according to a defined schedule.

⁹ The segment qualification guidelines were proposed in the final report of the NERC Standing Committees Representation Task Force on February 7, 2002. The Board of Trustees endorsed the industry segments and weighted segment voting model on February 20, 2002 and may change the model from time to time. The latest version (approved or endorsed by the NERC Board of Trustees) shall be used in the NERC Reliability Standards Development Procedure.

- The qualification guidelines and rules for joining segments will be reviewed periodically to ensure that the process continues to be fair, open, balanced, and inclusive. Public input will be solicited in the review of these guidelines.
- Since all balloting of standards will be done electronically, any registered participant may designate a proxy to vote on its behalf. There are no limits on how many proxies a person may hold. However, NERC must have in its possession, either in writing or by email, documentation that the voting right by proxy has been transferred.

Segments

Segment 1. Transmission Owners

- a. Any entity that owns or controls at least 200 circuit miles of integrated transmission facilities, or has an Open Access Transmission Tariff or equivalent on file with a regulatory authority.
- b. Transmission owners that have placed their transmission under the operational control of an RTO.
- c. Independent transmission companies or organizations, merchant transmission developers, and transcos that are not RTOs.
- d. Excludes RTOs and ISOs (that are eligible to join to Segment 2).

Segment 2. Regional Transmission Organizations (RTOs) and Independent System Operators (ISOs)

- a. Any entity authorized by appropriate governmental authority to operate as an RTO or ISO.

Segment 3. Load-Serving Entities (LSEs)

- a. Entities serving end-use customers under a regulated tariff, a contract governed by a regulatory tariff, or other legal obligation to serve.
- b. A member of a generation and transmission (G&T) cooperative or a joint-action agency is permitted to designate the G&T or joint-action agency to represent it in this segment; such designation does not preclude the G&T or joint-action agency from participation and voting in another segment representing its direct interests.

Segment 4. Transmission Dependent Utilities (TDUs)

- a. Entities with a regulatory, contractual, or other legal obligation to serve wholesale aggregators or customers or end-use customers and that depend primarily on the transmission systems of third parties to provide this service.
- b. Agents or associations can represent groups of TDUs.

Segment 5. Electric Generators

- a. Affiliated and independent generators.
- b. A corporation that sets up separate corporate entities for each one or two generating plants in which it is involved may only have one vote in this segment regardless of how many single-plant or two-plant corporations the parent corporation has established or is involved in.

Segment 6. Electricity Brokers, Aggregators, and Marketers

- a. Entities serving end-use customers under a power marketing agreement or other authorization not classified as a regulated tariff.
- b. An entity that buys, sells, or brokers energy and related services for resale in wholesale or retail markets, whether a non-jurisdictional entity operating within its charter or an entity licensed by a jurisdictional regulator.
- c. G&T cooperatives and joint-action agencies that perform an electricity broker, aggregator, or marketer function are permitted to belong to this segment.

Segment 7. Large Electricity End Users

- a. At least one service delivery taken at 50 kV (radial supply or facilities dedicated to serve customers) that is not purchased for resale.
- b. A single customer with an average aggregated service load (not purchased for resale) of at least 50,000 MWh annually, excluding cogeneration or other back feed to the serving utility.
- c. Agents or associations can represent groups of large end users.

Segment 8. Small Electricity Users

- a. Service taken at below 50 kV.
- b. A single customer with an average aggregated service load (not purchased for resale) of less than 50,000 MWh annually, excluding cogeneration or other back feed to the serving utility.
- c. Agents, state consumer advocates, or other advocate groups can represent groups of small customers.
- d. Any entity or person currently employed by an entity that is eligible to join one or more of the other eight segments, shall not be qualified to join Segment 8.

Segment 9. Federal, State, and Provincial Regulatory or other Government Entities

- a. Does not include federal power management agencies or the Tennessee Valley Authority.
- b. May include public utility commissions.

Segment 10. Regional Reliability Organizations and Regional Entities

- a. Any entity that is a regional reliability organization or regional entity, as defined in NERC's Bylaws. It is recognized that there may be instances in which an entity is both an RTO or ISO and a regional entity or regional reliability organization. In such a case, the two functions must be sufficiently independent to meet NERC's Rules of Procedure and applicable regulatory requirements, as evidenced by the approval of a regional entity delegation agreement. Without such an approval, the entity shall be limited to choosing to enter one segment or the other, but not both.

Appendix C — Examples of Weighted Segment Voting Calculation

(Assumptions on numbers of entities are purely hypothetical and used only for illustrative purposes.)

Ballot Body and Pools

Segment	Registered Ballot Body	Ballot Pools	
		Standard #1	Standard #2
1. Transmission Owners	300	250	100
2. RTOs and ISOs	10	10	8
3. LSEs	200	100	50
4. TDUs	100	75	50
5. Electric Generators	25	20	25
6. Brokers, Aggregators, and Marketers	10	10	10
7. Large End-Use Customers	5	1	4
8. Small End-Use Customers	25	10	5
9. Regulators or Other Government Entities	50	10	15
10. RROs and REs	10	10	8
Totals	735	496	279

Example 1

Segment	Ballot Pool	Votes				Abstain	No Ballot
		Affirmative		Negative			
		# Votes	Fraction	# Votes	Fraction		
1	250	200	0.833	40	0.167	10	0
2	10	8	0.800	2	0.200	0	0
3	100	60	0.632	35	0.368	5	0
4	75	50	0.714	20	0.286	0	5
5	20	7	0.412	10	0.588	2	1
6	10	6	0.600	4	0.400	0	0
7	1	0		0		1	0
8	10	0		0		0	10
9	10	8	0.800	2	0.200	0	0
10	10	7	0.700	3	0.300	0	0
Totals	496	346	5.491	116	2.509	18	16
Ballots	480	96.8%					
Wtd Vote			0.686		0.314		

Weighted segment vote is greater than two thirds AND more than 75% of the Standard ballot pool returned a ballot. Standard is approved.

No "Affirmative" or "Negative" votes cast, so segments not counted in total weighting.

Percent ballots returned
 $= (480/496) \times 100$
 $= 96.8\%$

Weighted segment vote
 $= (\text{Total Fraction}) / (\text{Segments Counted})$
 $= 5.491 / 8$

Trustees Approved:
 March 12, 2007
 Effective: June 7, 2007

Example 2

Segment	Ballot Pool	Votes				Abstain	No Ballot
		Affirmative		Negative			
		# Votes	Fraction	# Votes	Fraction		
1	100	25	1.000	0	0.000	0	75
2	8	6	.8*0.750	2	.8*0.250	0	0
3	50	30	0.600	20	0.400	0	0
4	50	25	0.833	5	0.167	0	20
5	25	18	0.783	5	0.217	2	
6	10	6	0.600	4	0.400	0	
7	4	4	.4*1.000	0	.4*0.000	0	
8	5	5	.5*1.000	0	.5*0.000	0	
9	15	7	.7*1.000	0	.7*0.000	5	
10	8	8	.8*1.000	0	.8*0.000	0	0
Total	275	134	6.816	36	1.384	7	98
Ballots	177	64.36%					
Wtd Vote			0.831		0.169		

Weighted segment vote is greater than two thirds BUT less than 75% of the standard ballot pool returned a ballot. Standard is NOT approved due to lack of a quorum.

Segments with less than 10 votes (affirmative or negative) are discounted such that each vote counts 0.1 of the segment weight.

6.816/8.2 = .802 or 80.2 % approval. Denominator is reduced because Segment 2 counts .8; 7 counts 0.4; Segment 8 counts 0.5; Segment 9 counts 0.7; and Segment 10 counts .8.

Project	Description	Coordinator	Accepted	Pre-ballot(s)	Initial ballot(s)	Recirc ballot	BOT	Notes/Status
Project 2008-07 Interpretation of EOP-002-2 R6.3 and R7.1 by Brookfield Power	Brookfield Power is seeking interpretation of Reliability Standard EOP-002-2, Capacity and Energy Emergencies, Requirements 6.3 and 7.1.	Darrel Richardson	1/31/08	05/02/08	6/2/08 10/16/2008	8/20/2009 (86.96%)		The recirculation ballot for the revised interpretation was held from 08/20/09 – 08/31/09. The ballot passed and appeals have been received regarding the interpretation. The interpretation is slated to go before the Board of Trustees at its February meeting. It is anticipated that NERC staff will request the Board to remand the interpretation back to the drafting team to address the appeals received.
Project 2008-09 Interpretation of EOP-001-0 R1 by Regional Entity Compliance Managers	The Regional Entity Compliance Managers (RECM) requests an interpretation and clarity for language in EOP-001-0, Requirement 1: 1. What is the definition of emergency assistance in the context of this standard? 2. What was intended by using the adjective "adjacent" in Requirement 1? 3. What is the definition of the word "remote" as stated in the last phrase of Requirement 1? 4. Would a Balancing Authority that participates in a Reserve Sharing Group Agreement, which meets the requirements of Reliability Standard BAL-002-0, Requirement 2, be required to establish additional operating agreements to achieve compliance with Reliability Standard EOP-001-0, Requirement 1?	Harry Tom (Larry Kezele)	4/2/08	5/19/08 (1) 1/28/09 (2) 10/6/09 (3)	6/19/08 (1) (85.79%) 2/27/09 (2) (89.03%) 11/5/09 (3) (98.07%)			The ORS executive committee is serving as the drafting team for this RFI. The ORS prepared comment replies. The ORS revised the interpretation. The second initial ballot period closed on November 5, 2009. The ORS is responding to negative ballots with comments.
Project 2008-10 Interpretation of CIP-006-1 R1.1 by Progress Energy	Progress Energy requests an interpretation as to the applicability of CIP-006-1 R1 to the aspects of the wiring that comprises the Electronic Security Perimeter (ESP).	Harry Tom	4/2/08	7/8/08 (1) 8/31/09 (2)	8/7/08 (1) (21.52%) 9/30/09 (2) (74.47%)			The second initial Ballot ended on October 12, 2009, and the drafting team is preparing reply comments for recirculation. This project has been delayed because some in the industry feel the interpretation may have gone beyond the words in the requirement.
Project 2009-09 Interpretation of CIP-001-1 R2 by Covanta Energy	Covanta Energy is seeking clarification as to what is meant by the term "appropriate parties" in Requirement R2 of CIP-001-1 when it states "... shall have procedures for the communication of information concerning sabotage events to appropriate parties in the Interconnection." Moreover, they ask who within the Interconnection hierarchy deems parties to be appropriate.	Harry Tom	1/26/09	07/06/09	8/6/09 (68.92%)	9/29/09 (68.31%)		Approved by industry
Project 2009-12 Interpretation of CIP-005-1 R4.2.2 and R1.3 by PacifiCorp	PacifiCorp is seeking clarification of CIP-005-1 — Cyber Security — Electronic Security Perimeter(s) with respect to: Regarding 4.2.2: • What kind of cyber assets are referenced in 4.2.2 as "associated"? What else could be meant except the devices forming the communication link? • Is the communication link physical or logical? Where does it begin and terminate? Regarding R1.3: • Please clarify what is meant by an "endpoint"? Is it physical termination? Logical termination of OSI layer 2, layer 3, or above? • If "endpoint" is defined as logical and refers to layer 3 and above, please clarify if the termination points of an encrypted tunnel (layer 3) must be treated as an "access point"? If two control centers are owned and managed by the same entity, connected via an encrypted link by properly applied Federal Information Processing Standards, with tunnel termination points that are within the control center ESPs and PSPs and do not terminate on the firewall but on a separate internal device, and the encrypted traffic already passes through a firewall access point at each ESP boundary where port/protocol restrictions are applied, must these encrypted communication tunnel termination points be treated as "access points" in addition to the firewalls through which the encrypted traffic has already passed?	Harry Tom	2/6/09	07/27/09	8/27/09 (80.37%)	10/16/09 (83.25%)		Approved by industry
Project 2009-13 Interpretation of CIP-006-1 R1.1 by PacifiCorp	PacifiCorp is seeking clarification of CIP-006-1 — Cyber Security — Physical Security with respect to: If a completely enclosed border cannot be created, what does the phrase, "to control physical access" require? Must the alternative measure be physical in nature? If so, must the physical barrier literally prevent physical access e.g. using concrete encased fiber, or can the alternative measure effectively mitigate the risks associated with physical access through cameras, motions sensors, or encryption? Does this requirement preclude the application of logical controls as an alternative measure in mitigating the risks of physical access to Critical Cyber Assets?	Harry Tom	2/6/09	07/27/09	8/27/09 (79.04%)	12/11/2009 (78.77%)		Approved by industry
Project 2009-17 Interpretation of PRC-004 and PRC-005 R2 by Y-W Electric and Tri-State G & T	Y-W Electric Association, Inc. (Y-WEA) and Tri-State Generation and Transmission Association, Inc. (Tri-State) respectfully request an interpretation of the term "transmission Protection System" and specifically whether protection for a radially-connected transformer protection system energized from the BES is considered a transmission Protection System and is subject to these standards.	Darrel Richardson	3/25/09	6/30/09 (1) 10/20/09 (2)	7/31/09 (62.15%) 11/19/09 (58.91%)			Team reviewing will be reviewing the second initial ballot comments during the first week of February 2010. Once the team has reviewed the comments they will determine their next step, either revise the interpretation or post for re-circulation ballot.
Project 2009-19 Interpretation of BAL-002-0 R4 and R5 by NWPP Reserve Sharing Group	The Northwest Power Pool Reserve Sharing Group requests clarification with respect to the exclusion from compliance evaluation for Disturbances affecting a Reserve Sharing Group and the meaning of the phrase "excluded from compliance evaluation" as used in Section 1.4 ("Additional Compliance Information") of Part D of BAL-002-0.	Andy Rodriguez	9/2/09	01/15/10	2/16-26/2010 (48.6%)			The initial ballot has concluded. The team will be considering next steps and consulting with NERC leadership.
Project 2009-20 Interpretation of BAL-003-0 R4 and R5 by Howard Illian	Mr. Illian is seeking clarification to confirm BAL-003 - Frequency Response and Bias does not require any level of Frequency Response, and that the comparison of the values should be in absolute terms.	Darrel Richardson	9/15/09	10/21/09	11/20/09 (93.40%)			The recirculation ballot will be held in early February 2010.

Project	Description	Coordinator	Accepted	Pre-ballot(s)	Initial ballot(s)	Recirc ballot	BOT	Notes/Status
Project 2009-22 Interpretation of COM-002-2 R2 by the IRC	The ISO/RTO Council is seeking clarification as to whether routine operating instructions are "directives" or whether "directives" are limited to actual and anticipated emergency operating conditions.	Howard Gugel	10/2/09					The team met Nov. 17-18 to draft a response. Due to differences of opinion by the team, they conducted a follow-up conference call on Dec. 4. NERC staff has disagreed with the interpretation and has asked that the team reconsider.
Project 2009-23 Interpretation of CIP-004-2 R3 by the Army Corps of Engineers	The Army Corps of Engineers are seeking clarification as to the personnel risk assessment program's verification of identification and seven-year criminal check requirements.	Howard Gugel	9/18/09	10/29/09	12/1/2009 (72.11%)			The Team has a conference call scheduled on January 26th to finalize the responses to comments and revise the interpretation. The team expects to repost with revisions the first week of February.
Project 2009-24 Interpretation of EOP-005-1 R7 by FMPA	The Florida Municipal Power Agency (FMPA) is seeking an interpretation as to what is meant by the phrase "verify the restoration procedure" and by the term "simulation" in requirement R7. For a TOP without any blackstart facilities in its restoration plan, can exercises and tabletop drills be used to meet Requirement R7 by "verifying the restoration procedure" through tabletop "simulations?"	Howard Gugel	10/5/09	11/19/09	1/5/2009 (17.79%)			The team has a conference call scheduled for February 3rd to discuss the comments from the initial ballot and prepare revisions for repost.
Project 2009-25 Interpretation of BAL-001-01 and BAL-002-0 by BPA	The Bonneville Power Administration (BPA) is seeking the following interpretations: 1. When responding to a disturbance as described in BAL-002 R4, is the "ACE" referenced in the standards intended to be the "control ACE" used in AGC, or the "raw ACE" referenced in BAL-001? 2. Can the "raw ACE" referenced in BAL-001 include the ACE Diversity Interchange (ADI) offset? 3. Does ADI as implemented in the Western Interconnection meet the BAL-001 and BAL-002 reporting standards since the ADI adjustment does go into the NERC reportable ACE (raw ACE) with what has been characterized as a pseudo-tie, but is not scheduled and is paid back with the inadvertent interchange payback methodology as used in WECC?	Howard Gugel	10/5/09	11/19/09	1/5/2009 (34.28%)			The team has been provided the comments from the initial ballot. A face-to-face drafting team meeting is scheduled for February 24th and 25th, during which they will devote some time to discussing the comments and preparing revisions for repost.
Project 2009-26 Interpretation of CIP-004-1 R2 thru R4 by WECC	WECC is seeking clarification on the definition of "authorized access" as applied to temporary support from vendors. Do the training, risk assessment and access requirements specified in R2, R3, and R4 apply to vendors who are supervised? Assuming that a "supervised" vendor is exempt from CIP-004-1, Requirements R2, R3 and R4, would temporary, indirect and monitored access such as that provided through remote terminal sessions (WebEx, etc.) or escorted physical access be considered supervision?	Howard Gugel	10/27/09	12/07/09	1/6/2010 (42.24%)			The team has a conference call scheduled for February 9th to discuss the comments from the initial ballot and prepare revisions for repost.
Project 2009-27 Interpretation of TOP-002-2a R10 by FMPP	Florida Municipal Power Pool (FMPP) is seeking clarification as to whether requirement R10 requires the BA to plan to maintain load-interchange-generation balance under the direction of the TOPs for meeting all SOLs and IROLs.	Al McMeekin	11/30/09	01/11/10	02/10/10			Out for pre-ballot review
Project 2009-28 Interpretation of EOP-001-1 and EOP-001-2 R2.2 by FMPP	Florida Municipal Power Pool (FMPP) is seeking clarification as to whether the BA needs to develop a plan to maintain a load-interchange-generation balance during operating emergencies and follow the directives of the TOP.	Al McMeekin	11/30/09	01/11/10	02/10/10			Out for pre-ballot review
Project 2009-29 Interpretation of TOP-002-2a R6 by FMPP	Florida Municipal Power Pool (FMPP) is seeking clarification as to whether it is the responsibility of a BA to plan to meet CPS and DCS under unscheduled changes in the system configuration and generation dispatch.	Al McMeekin	11/30/09	01/11/10	02/10/10			Out for pre-ballot review
Project 2009-30 Interpretation of PRC-001-1 R1 by WPSC	Wisconsin Public Service Corporation (WPSC) is seeking clarification of the term "Generator Operator" as it applies to requirement R1 of PRC-001-1.	Al McMeekin	12/2/09	01/15/10	02/15/10			Out for pre-ballot review
Project 2009-31 Interpretation of TOP-001-1 R8 by FMPP	Florida Municipal Power Pool (FMPP) is seeking clarification as to whether it is the Balancing Authority's responsibility to immediately take corrective action to restore Real Power Balance and whether it is the TOP's responsibility to immediately take corrective action to restore Reactive Power Balance.	Al McMeekin	12/21/09	01/29/10	02/26/10			Out for pre-ballot review
Project 2009-32 Interpretation of EOP-003-1 R3 and R5 by FMPP	Florida Municipal Power Pool (FMPP) is seeking clarification as to whether R3 and R5 apply only to automatic load shedding or both automatic and manual load shedding.	Al McMeekin	12/21/09	01/27/10	03/01/10			Out for pre-ballot review
Interpretation 2010-01 Interpretation of TOP-006-2 R1 and R3 for FMPP	Florida Municipal Power Pool (FMPP) is seeking clarification as to whether the Balancing Authority is responsible for reporting generation resources available for use and the Transmission Operator is responsible for reporting transmission resources that are available for use. They are also seeking clarification as to whether "appropriate technical information concerning protective relays" refers to protective relays for which the entity has responsibility.	Al McMeekin	1/20/10					
Interpretation 2010-02 Interpretation of TOP-003-1 R2 for FMPP	Florida Municipal Power Pool (FMPP) is seeking clarification as to whether the requirement to plan and coordinate for scheduled outages of system voltage regulating equipment for the Balancing Authority mean plan and coordinate scheduled outages of generators within the Balancing Authority.	Al McMeekin	1/20/10					
Interpretation 2010-03 Interpretation of TOP-002-2a R2 R8 and R19 for FMPP	Florida Municipal Power Pool (FMPP) is seeking clarification as to what "ensure" and "deliverability/capability" mean and whether the Balancing Authority needs to maintain accurate computer models to analyze and plan to maintain a load-interchange-generation balance.	Al McMeekin	1/20/10					
Interpretation 2010-04 Interpretation of EOP-001-1 R2 for FMPP	Florida Municipal Power Pool (FMPP) is seeking clarification as to what "a set of plans for system restoration" means.	Al McMeekin	1/20/10					

Project	Description	Coordinator	Accepted	Pre-ballot(s)	Initial ballot(s)	Recirc ballot	BOT	Notes/Status
Project 2008-07 Interpretation of EOP-002-2 R6.3 and R7.1 by Brookfield Power	Brookfield Power is seeking interpretation of Reliability Standard EOP-002-2, Capacity and Energy Emergencies, Requirements 6.3 and 7.1.	Darrel Richardson	1/31/08	05/02/08	6/2/08 10/16/2008	8/20/2009 (86.96%)	Remanded 1/16/2010	The recirculation ballot for the revised interpretation was held from 08/20/09 – 08/31/09. The ballot passed and appeals have been received regarding the interpretation. The interpretation was remanded back by the BOT with no further action to be taken.
Project 2008-09 Interpretation of EOP-001-0 R1 by Regional Entity Compliance Managers	The Regional Entity Compliance Managers (RECM) requests an interpretation and clarity for language in EOP-001-0, Requirement 1: 1. What is the definition of emergency assistance in the context of this standard? 2. What was intended by using the adjective “adjacent” in Requirement 1? 3. What is the definition of the word “remote” as stated in the last phrase of Requirement 1? 4. Would a Balancing Authority that participates in a Reserve Sharing Group Agreement, which meets the requirements of Reliability Standard BAL-002-0, Requirement 2, be required to establish additional operating agreements to achieve compliance with Reliability Standard EOP-001-0, Requirement 1?	Harry Tom (Larry Kezele)	4/2/08	5/19/08 (1) 1/28/09 (2) 10/6/09 (3) 3/16/10 (4)	6/19/08 (1) (85.79%) 2/27/09 (2) (89.03%) 11/5/09 (3) (98.07%)			The ORS Executive Committee is serving as the drafting team for this RFI. The interpretation has been revised for a third time and is out for pre-ballot review.
Project 2008-10 Interpretation of CIP-006-1 R1.1 by Progress Energy	Progress Energy requests an interpretation as to the applicability of CIP-006-1 R1 to the aspects of the wiring that comprises the Electronic Security Perimeter (ESP).	Harry Tom	4/2/08	7/8/08 (1) 8/31/09 (2)	8/7/08 (1) (21.52%) 9/30/09 (2) (74.47%)			The second initial Ballot ended on October 12, 2009, and the drafting team is preparing reply comments for recirculation. This project has been delayed because some in the industry feel the interpretation may have gone beyond the words in the requirement.
Project 2009-09 Interpretation of CIP-001-1 R2 by Covanta Energy	Covanta Energy is seeking clarification as to what is meant by the term “appropriate parties” in Requirement R2 of CIP-001-1 when it states “... shall have procedures for the communication of information concerning sabotage events to appropriate parties in the Interconnection.” Moreover, they ask who within the Interconnection hierarchy deems parties to be appropriate.	Harry Tom	1/26/09	07/06/09	8/6/09 (68.92%)	9/29/09 (68.31%)	02/16/10	The interpretation was approved by the NERC Board of Trustees on February 16, 2010.
Project 2009-12 Interpretation of CIP-005-1 R4.2.2 and R1.3 by PacifiCorp	PacifiCorp is seeking clarification of CIP-005-1 — Cyber Security — Electronic Security Perimeter(s) with respect to: Regarding 4.2.2: • What kind of cyber assets are referenced in 4.2.2 as “associated”? What else could be meant except the devices forming the communication link? • Is the communication link physical or logical? Where does it begin and terminate? Regarding R1.3: • Please clarify what is meant by an “endpoint”? Is it physical termination? Logical termination of OSI layer 2, layer 3, or above? • If “endpoint” is defined as logical and refers to layer 3 and above, please clarify if the termination points of an encrypted tunnel (layer 3) must be treated as an “access point”? If two control centers are owned and managed by the same entity, connected via an encrypted link by properly applied Federal Information Processing Standards, with tunnel termination points that are within the control center ESPs and PSPs and do not terminate on the firewall but on a separate internal device, and the encrypted traffic already passes through a firewall access point at each ESP boundary where port/protocol restrictions are applied, must these encrypted communication tunnel termination points be treated as “access points” in addition to the firewalls through which the encrypted traffic has already passed?	Harry Tom	2/6/09	07/27/09	8/27/09 (80.37%)	10/16/09 (83.25%)	02/16/10	The interpretation was approved by the NERC Board of Trustees on February 16, 2010.
Project 2009-13 Interpretation of CIP-006-1 R1.1 by PacifiCorp	PacifiCorp is seeking clarification of CIP-006-1 — Cyber Security — Physical Security with respect to: If a completely enclosed border cannot be created, what does the phrase, “to control physical access” require? Must the alternative measure be physical in nature? If so, must the physical barrier literally prevent physical access e.g. using concrete encased fiber, or can the alternative measure effectively mitigate the risks associated with physical access through cameras, motions sensors, or encryption? Does this requirement preclude the application of logical controls as an alternative measure in mitigating the risks of physical access to Critical Cyber Assets?	Harry Tom	2/6/09	07/27/09	8/27/09 (79.04%)	12/11/2009 (78.77%)	02/16/10	The interpretation was approved by the NERC Board of Trustees on February 16, 2010.

Project 2009-17 Interpretation of PRC-004 and PRC-005 R2 by Y-W Electric and Tri-State G & T	Y-W Electric Association, Inc. (Y-WEA) and Tri-State Generation and Transmission Association, Inc. (Tri-State) respectfully request an interpretation of the term "transmission Protection System" and specifically whether protection for a radially-connected transformer protection system energized from the BES is considered a transmission Protection System and is subject to these standards.	Darrel Richardson	3/25/09	6/30/09 (1) 10/20/09 (2) 3/29/10 (3)	7/31/09 (62.15%) 11/19/09 (58.91%)			The Interpretation has been revised and is currently posted for a third 30-day pre-ballot review through April 28. It is anticipated that the team will need to meet in mid-May to respond to comments.
Project 2009-19 Interpretation of BAL-002-0 R4 and R5 by NWPP Reserve Sharing Group	The Northwest Power Pool Reserve Sharing Group requests clarification with respect to the exclusion from compliance evaluation for Disturbances affecting a Reserve Sharing Group and the meaning of the phrase "excluded from compliance evaluation" as used in Section 1.4 ("Additional Compliance Information") of Part D of BAL-002-0.	Andy Rodriquez	9/2/09	01/15/10	2/15/2010 (48.6%)			The initial ballot has concluded. The team will be considering next steps and consulting with NERC leadership.
Project 2009-20 Interpretation of BAL-003-0 R4 and R5 by Howard Illian	Mr. Illian is seeking clarification to confirm BAL-003 - Frequency Response and Bias does not require any level of Frequency Response, and that the comparison of the values should be in absolute terms.	Darrel Richardson	9/15/09	10/21/09	11/20/09 (93.40%)	2/16/2010 (91.90%)		The Interpretation passed on the recirculation ballot. NERC staff is evaluating options prior to proceeding.
Project 2009-22 Interpretation of COM-002-2 R2 by the IRC	The ISO/RTO Council is seeking clarification as to whether routine operating instructions are "directives" or whether "directives" are limited to actual and anticipated emergency operating conditions.	Howard Gugel	10/2/09					The team met Nov. 17-18 to draft a response. Due to differences of opinion by the team, they conducted a follow-up conference call on Dec. 4. NERC staff has disagreed with the interpretation and has asked that the team reconsider.
Project 2009-23 Interpretation of CIP-004-2 R3 by the Army Corps of Engineers	The Army Corps of Engineers are seeking clarification as to the personnel risk assessment program's verification of identification and seven-year criminal check requirements.	Howard Gugel	9/18/09	10/29/09	12/1/2009 (72.11%)	03/29/10		Out for recirculation ballot until April 8, 2010
Project 2009-24 Interpretation of EOP-005-1 R7 by FMPP	The Florida Municipal Power Agency (FMPP) is seeking an interpretation as to what is meant by the phrase "verify the restoration procedure" and by the term "simulation" in requirement R7. For a TOP without any blackstart facilities in its restoration plan, can exercises and tabletop drills be used to meet Requirement R7 by "verifying the restoration procedure" through tabletop "simulations?"	Howard Gugel	10/5/09	11/19/09 (1) 3/22/10 (2)	1/5/2009 (17.79%)			The team revised the interpretation, which is out for a second pre-ballot review
Project 2009-25 Interpretation of BAL-001-01 and BAL-002-0 by BPA	The Bonneville Power Administration (BPA) is seeking the following interpretations: 1. When responding to a disturbance as described in BAL-002 R4, is the "ACE" referenced in the standards intended to be the "control ACE" used in AGC, or the "raw ACE" referenced in BAL-001? 2. Can the "raw ACE" referenced in BAL-001 include the ACE Diversity Interchange (ADI) offset? 3. Does ADI as implemented in the Western Interconnection meet the BAL-001 and BAL-002 reporting standards since the ADI adjustment does go into the NERC reportable ACE (raw ACE) with what has been characterized as a pseudo-tie, but is not scheduled and is paid back with the inadvertent interchange payback methodology as used in WECC?	Howard Gugel	10/5/09	11/19/09	1/5/2009 (34.28%)			The team has been provided the comments from the initial ballot. A face-to-face drafting team meeting was held and response to comments and redraft of the interpretation is being conducted.
Project 2009-26 Interpretation of CIP-004-1 R2 thru R4 by WECC	WECC is seeking clarification on the definition of "authorized access" as applied to temporary support from vendors. Do the training, risk assessment and access requirements specified in R2, R3, and R4 apply to vendors who are supervised? Assuming that a "supervised" vendor is exempt from CIP-004-1, Requirements R2, R3 and R4, would temporary, indirect and monitored access such as that provided through remote terminal sessions (WebEx, etc.) or escorted physical access be considered supervision?	Howard Gugel	10/27/09	12/07/09	1/6/2010 (42.24%)			The response to comments and the revised interpretation has been prepared. It is in NERC final review and should be posted for pre-ballot review soon.
Project 2009-27 Interpretation of TOP-002-2a R10 by FMPP	Florida Municipal Power Pool (FMPP) is seeking clarification as to whether requirement R10 requires the BA to plan to maintain load-interchange-generation balance under the direction of the TOPs for meeting all SOLs and IROLs.	Al McMeekin	11/30/09	01/11/10	2/10/2010 (90.82%)			The team has been provided a ballot comment report for review.
Project 2009-28 Interpretation of EOP-001-1 and EOP-001-2 R2.2 by FMPP	Florida Municipal Power Pool (FMPP) is seeking clarification as to whether the BA needs to develop a plan to maintain a load-interchange-generation balance during operating emergencies and follow the directives of the TOP.	Al McMeekin	11/30/09	1/11/2010 3/24/2010	2/10/2010 (91.79%)			Revised interpretation out for pre-ballot review until April 23.

Project 2009-29 Interpretation of TOP-002-2a R6 by FMPP	Florida Municipal Power Pool (FMPP) is seeking clarification as to whether it is the responsibility of a BA to plan to meet CPS and DCS under unscheduled changes in the system configuration and generation dispatch.	Al McMeekin	11/30/09	01/11/10	2/11/2010 (84.56%)			The team has been provided a ballot comment report for review.
Project 2009-30 Interpretation of PRC-001-1 R1 by WPSC	Wisconsin Public Service Corporation (WPSC) is seeking clarification of the term "Generator Operator" as it applies to requirement R1 of PRC-001-1.	Al McMeekin	12/2/09	01/15/10	2/15/2010 (48.74%)			The response to comments and the revised interpretation has been prepared. It is in NERC final review and should be posted for pre-ballot review soon.
Project 2009-31 Interpretation of TOP-001-1 R8 by FMPP	Florida Municipal Power Pool (FMPP) is seeking clarification as to whether it is the Balancing Authority's responsibility to immediately take corrective action to restore Real Power Balance and whether it is the TOP's responsibility to immediately take corrective action to restore Reactive Power Balance.	Al McMeekin	12/21/09	01/29/10	2/26/2010 (98.27%)		TBD	Approved by industry on initial ballot (no negative votes with reasons)
Project 2009-32 Interpretation of EOP-003-1 R3 and R5 by FMPP	Florida Municipal Power Pool (FMPP) is seeking clarification as to whether R3 and R5 apply only to automatic load shedding or both automatic and manual load shedding.	Al McMeekin	12/21/09	01/27/10	3/10/10 (re-ballot) (77.66%)			Initial ballot did not reach quorum. Re-ballot reached quorum. The team has been provided a ballot comment report for review.
Interpretation 2010-01 Interpretation of TOP-006-2 R1 and R3 for FMPP	Florida Municipal Power Pool (FMPP) is seeking clarification as to whether the Balancing Authority is responsible for reporting generation resources available for use and the Transmission Operator is responsible for reporting transmission resources that are available for use. They are also seeking clarification as to whether "appropriate technical information concerning protective relays" refers to protective relays for which the entity has responsibility.	Al McMeekin	1/20/10	3/5/10				Out for pre-ballot review until April 4.
Interpretation 2010-02 Interpretation of TOP-003-1 R2 for FMPP	Florida Municipal Power Pool (FMPP) is seeking clarification as to whether the requirement to plan and coordinate for scheduled outages of system voltage regulating equipment for the Balancing Authority mean plan and coordinate scheduled outages of generators within the Balancing Authority.	Al McMeekin	1/20/10	3/5/10				Out for pre-ballot review until April 4.
Interpretation 2010-03 Interpretation of TOP-002-2a R2 R8 and R19 for FMPP	Florida Municipal Power Pool (FMPP) is seeking clarification as to what "ensure" and "deliverability/ capability" mean and whether the Balancing Authority needs to maintain accurate computer models to analyze and plan to maintain a load-interchange-generation balance.	Al McMeekin	1/20/10	3/5/10				Out for pre-ballot review until April 4.
Interpretation 2010-04 Interpretation of EOP-001-1 R2 for FMPP	Florida Municipal Power Pool (FMPP) is seeking clarification as to what "a set of plans for system restoration" means.	Al McMeekin	1/20/10	3/5/10				Out for pre-ballot review until April 4.

Project	Description	Coordinator	Accepted	Pre-ballot(s)	Initial ballot(s)	Recirc ballot	BOT	Notes/Status
Project 2008-07 Interpretation of EOP-002-2 R6.3 and R7.1 by Brookfield Power	Brookfield Power is seeking interpretation of Reliability Standard EOP-002-2, Capacity and Energy Emergencies, Requirements 6.3 and 7.1.	Darrel Richardson	1/31/08	05/02/08	6/2/08 10/16/2008	8/20/2009 (86.96%)	Remanded 1/16/10	The interpretation was remanded to the Standards Committee because it exceeded the scope of the standard. Instead of spending more time on the interpretation, the board directed the Standards Committee to initiate action to revise the standard
Project 2008-09 Interpretation of EOP-001-0 R1 by Regional Entity Compliance Managers	The Regional Entity Compliance Managers (RECM) requests an interpretation and clarity for language in EOP-001-0, Requirement 1: 1. What is the definition of emergency assistance in the context of this standard? 2. What was intended by using the adjective "adjacent" in Requirement 1? 3. What is the definition of the word "remote" as stated in the last phrase of Requirement 1? 4. Would a Balancing Authority that participates in a Reserve Sharing Group Agreement, which meets the requirements of Reliability Standard BAL-002-0, Requirement 2, be required to establish additional operating agreements to achieve compliance with Reliability Standard EOP-001-0, Requirement 1?	Harry Tom (Larry Kezele)	4/2/08	5/19/08 (1) 1/28/09 (2) 10/6/09 (3) 3/16/10 (4)	6/19/08 (1) (85.79%) 2/27/09 (2) (89.03%) 11/5/09 (3) (98.07%) 4/15/10 (4) (98.64%)			The ORS Executive Committee is serving as the drafting team for this RFI. The fourth initial ballot period closed on April 15, 2010. The ORS is reviewing the ballots report.
Project 2008-10 Interpretation of CIP-006-1 R1.1 by Progress Energy	Progress Energy requests an interpretation as to the applicability of CIP-006-1 R1 to the aspects of the wiring that comprises the Electronic Security Perimeter (ESP).	Harry Tom	4/2/08	7/8/08 (1) 8/31/09 (2)	8/7/08 (1) (21.52%) 9/30/09 (2) (74.47%)			The second initial ballot ended on October 12, 2009, and the drafting team is preparing reply comments for recirculation. This project has been delayed because some in the industry feel the interpretation may have gone beyond the words in the requirement.
Project 2009-17 Interpretation of PRC-004 and PRC-005 R2 by Y-W Electric and Tri-State G & T	Y-W Electric Association, Inc. (Y-WEA) and Tri-State Generation and Transmission Association, Inc. (Tri-State) respectfully request an interpretation of the term "transmission Protection System" and specifically whether protection for a radially-connected transformer protection system energized from the BES is considered a transmission Protection System and is subject to these standards.	Darrel Richardson	3/25/09	6/30/09 (1) 10/20/09 (2) 3/29/10 (3)	7/31/09 (62.15%) 11/19/09 (58.91%) 4/28/10 (tbd)			The team has revised the interpretation for a third time. A third initial ballot is open until May 10, 2010.
Project 2009-19 Interpretation of BAL-002-0 R4 and R5 by NWPP Reserve Sharing Group	The Northwest Power Pool Reserve Sharing Group requests clarification with respect to the exclusion from compliance evaluation for Disturbances affecting a Reserve Sharing Group and the meaning of the phrase "excluded from compliance evaluation" as used in Section 1.4 ("Additional Compliance Information") of Part D of BAL-002-0.	Andy Rodriguez	9/2/09	01/15/10	2/15/2010 (48.6%)			The initial ballot only achieved a 48.6 approval rate. Most comments focused on the compliance elements of the standard or otherwise suggested that the team add to the standard beyond what is currently written. Staff recommends that no further effort be spent on this interpretation, instead allowing the BACSDT to use that energy to rewrite the standard.

Project	Description	Coordinator	Accepted	Pre-ballot(s)	Initial ballot(s)	Recirc ballot	BOT	Notes/Status
Project 2009-20 Interpretation of BAL-003-0 R4 and R5 by Howard Illian	Mr. Illian is seeking clarification to confirm BAL-003 - Frequency Response and Bias does not require any level of Frequency Response, and that the comparison of the values should be in absolute terms.	Darrel Richardson	9/15/09	10/21/09	11/20/09 (93.40%)	2/16/10 91.90%		Approved by industry
Project 2009-22 Interpretation of COM-002-2 R2 by the IRC	The ISO/RTO Council is seeking clarification as to whether routine operating instructions are "directives" or whether "directives" are limited to actual and anticipated emergency operating conditions.	Howard Gugel	10/2/09					The team met Nov. 17-18 to draft a response. Due to differences of opinion by the team, they conducted a follow-up conference call on Dec. 4. NERC staff has disagreed with the interpretation and has asked that the team reconsider.
Project 2009-23 Interpretation of CIP-004-2 R3 by the Army Corps of Engineers	The Army Corps of Engineers are seeking clarification as to the personnel risk assessment program's verification of identification and seven-year criminal check requirements.	Howard Gugel	9/18/09	10/29/09 (1) 02/25/10 (2)	12/1/2009 (72.11%) 3/29/10 (63.43%)			The team has been provided the ballot report.
Project 2009-24 Interpretation of EOP-005-1 R7 by FMPP	The Florida Municipal Power Agency (FMPP) is seeking an interpretation as to what is meant by the phrase "verify the restoration procedure" and by the term "simulation" in requirement R7. For a TOP without any blackstart facilities in its restoration plan, can exercises and tabletop drills be used to meet Requirement R7 by "verifying the restoration procedure" through tabletop "simulations?"	Howard Gugel	10/5/09	11/19/09	1/5/2009 (17.79%)			A second pre-ballot review closed April 21, 2010. Placed on hold by the Standards Committee.
Project 2009-25 Interpretation of BAL-001-01 and BAL-002-0 by BPA	The Bonneville Power Administration (BPA) is seeking the following interpretations: 1. When responding to a disturbance as described in BAL-002 R4, is the "ACE" referenced in the standards intended to be the "control ACE" used in AGC, or the "raw ACE" referenced in BAL-001? 2. Can the "raw ACE" referenced in BAL-001 include the ACE Diversity Interchange (ADI) offset? 3. Does ADI as implemented in the Western Interconnection meet the BAL-001 and BAL-002 reporting standards since the ADI adjustment does go into the NERC reportable ACE (raw ACE) with what has been characterized as a pseudo-tie, but is not scheduled and is paid back with the inadvertent interchange payback methodology as used in WECC?	Howard Gugel	10/5/09	11/19/09	1/5/2009 (34.28%)			The team has been provided the comments from the initial ballot. A face-to-face drafting team meeting was scheduled for February 24th and 25th to discuss the comments and prepare revisions for repost.
Project 2009-26 Interpretation of CIP-004-1 R2 thru R4 by WECC	WECC is seeking clarification on the definition of "authorized access" as applied to temporary support from vendors. Do the training, risk assessment and access requirements specified in R2, R3, and R4 apply to vendors who are supervised? Assuming that a "supervised" vendor is exempt from CIP-004-1, Requirements R2, R3 and R4, would temporary, indirect and monitored access such as that provided through remote terminal sessions (WebEx, etc.) or escorted physical access be considered supervision?	Howard Gugel	10/27/09	12/07/09	1/6/2010 (42.24%)			The team has submitted a response to comments and a revised interpretation for editing.
Project 2009-27 Interpretation of TOP-002-2a R10 by FMPP	Florida Municipal Power Pool (FMPP) is seeking clarification as to whether requirement R10 requires the BA to plan to maintain load-interchange-generation balance under the direction of the TOPs for meeting all SOLs and IROLs.	Al McMeekin	11/30/09	01/11/10	2/10/2010 (90.82%)			Placed on hold by the Standards Committee.

Project	Description	Coordinator	Accepted	Pre-ballot(s)	Initial ballot(s)	Recirc ballot	BOT	Notes/Status
Project 2009-28 Interpretation of EOP-001-1 and EOP-001-2 R2.2 by FMPP	Florida Municipal Power Pool (FMPP) is seeking clarification as to whether the BA needs to develop a plan to maintain a load-interchange-generation balance during operating emergencies and follow the directives of the TOP.	Al McMeekin	11/30/09	1/11/2010 3/24/2010	2/10/2010 (91.79%)			Pre-ballot review ended April 23. Placed on hold by the Standards Committee.
Project 2009-29 Interpretation of TOP-002-2a R6 by FMPP	Florida Municipal Power Pool (FMPP) is seeking clarification as to whether it is the responsibility of a BA to plan to meet CPS and DCS under unscheduled changes in the system configuration and generation dispatch.	Al McMeekin	11/30/09	01/11/10	2/11/2010 (84.56%)			Documents are being prepared for re-submission. Placed on hold by the Standards Committee.
Project 2009-30 Interpretation of PRC-001-1 R1 by WPSC	Wisconsin Public Service Corporation (WPSC) is seeking clarification of the term "Generator Operator" as it applies to requirement R1 of PRC-001-1.	Al McMeekin	12/2/09	01/15/10	2/15/2010 (48.74%)			Documents have been resubmitted for posting review.
Project 2009-31 Interpretation of TOP-001-1 R8 by FMPP	Florida Municipal Power Pool (FMPP) is seeking clarification as to whether it is the Balancing Authority's responsibility to immediately take corrective action to restore Real Power Balance and whether it is the TOP's responsibility to immediately take corrective action to restore Reactive Power Balance.	Al McMeekin	12/21/09	01/29/10	2/26/2010 (98.27%)		TBD	Approved by industry on initial ballot (no negative votes with reasons)
Project 2009-32 Interpretation of EOP-003-1 R3 and R5 by FMPP	Florida Municipal Power Pool (FMPP) is seeking clarification as to whether R3 and R5 apply only to automatic load shedding or both automatic and manual load shedding.	Al McMeekin	12/21/09	01/27/10	3/1/10 (no quorum) 3/10/10 (re-ballot)	3/31/2010 (77.66%)		Re-ballot closed 3/31/2010. Meeting to be scheduled to address industry comments. Placed on hold by the Standards Committee.
Interpretation 2010-01 Interpretation of TOP-006-2 R1 and R3 for FMPP	Florida Municipal Power Pool (FMPP) is seeking clarification as to whether the Balancing Authority is responsible for reporting generation resources available for use and the Transmission Operator is responsible for reporting transmission resources that are available for use. They are also seeking clarification as to whether "appropriate technical information concerning protective relays" refers to protective relays for which the entity has responsibility.	Al McMeekin	1/20/10	3/5/10				Pre-ballot closed April 4, 2010. Balloting Deferred per Standards Committee.
Interpretation 2010-02 Interpretation of TOP-003-1 R2 for FMPP	Florida Municipal Power Pool (FMPP) is seeking clarification as to whether the requirement to plan and coordinate for scheduled outages of system voltage regulating equipment for the Balancing Authority mean plan and coordinate scheduled outages of generators within the Balancing Authority.	Al McMeekin	1/20/10	3/5/10				Pre-ballot closed April 4, 2010. Balloting Deferred per Standards Committee.
Interpretation 2010-03 Interpretation of TOP-002-2a R2 R8 and R19 for FMPP	Florida Municipal Power Pool (FMPP) is seeking clarification as to what "ensure" and "deliverability/ capability" mean and whether the Balancing Authority needs to maintain accurate computer models to analyze and plan to maintain a load-interchange-generation balance.	Al McMeekin	1/20/10	3/5/10				Pre-ballot closed April 4, 2010. Balloting Deferred per Standards Committee.
Interpretation 2010-04 Interpretation of EOP-001-1 R2 for FMPP	Florida Municipal Power Pool (FMPP) is seeking clarification as to what "a set of plans for system restoration" means.	Al McMeekin	1/20/10	3/5/10				Pre-ballot closed April 4, 2010. Balloting Deferred per Standards Committee.

Project	Description	Coordinator	Accepted	Pre-ballot(s)	Initial ballot(s)	Recirc ballot	BOT	Notes/Status
Project 2008-07 Interpretation of EOP-002-2 R6.3 and R7.1 by Brookfield Power	Brookfield Power is seeking interpretation of Reliability Standard EOP-002-2, Capacity and Energy Emergencies, Requirements 6.3 and 7.1.	Darrel Richardson	1/31/08	05/02/08	6/2/08 10/16/08	8/20/09 (86.96%)	Remanded 1/16/10	The interpretation was remanded to the Standards Committee because it exceeded the scope of the standard. Instead of spending more time on the interpretation, the board directed the Standards Committee to initiate action to revise the standard.
Project 2008-09 Interpretation of EOP-001-0 R1 by Regional Entity Compliance Managers	The Regional Entity Compliance Managers (RECM) requests an interpretation and clarity for language in EOP-001-0, Requirement 1: 1. What is the definition of emergency assistance in the context of this standard? 2. What was intended by using the adjective "adjacent" in Requirement 1? 3. What is the definition of the word "remote" as stated in the last phrase of Requirement 1? 4. Would a Balancing Authority that participates in a Reserve Sharing Group Agreement, which meets the requirements of Reliability Standard BAL-002-0, Requirement 2, be required to establish additional operating agreements to achieve compliance with Reliability Standard EOP-001-0, Requirement 1?	Harry Tom (Larry Kezele)	4/2/08	5/19/08 (1) 1/28/09 (2) 10/6/09 (3) 3/16/10 (4)	6/19/08 (1) (85.79%) 2/27/09 (2) (89.03%) 11/5/09 (3) (98.07%) 4/15/10 (4) (98.64%)			The ORS Executive Committee is serving as the drafting team for this RFI. The fourth initial ballot period closed on April 15, 2010. The ORS has prepared its response to comments and has sent documents to NERC staff for review and posting for recirculation ballot.
Project 2008-10 Interpretation of CIP-006-1 R1.1 by Progress Energy	Progress Energy requests an interpretation as to the applicability of CIP-006-1 R1 to the aspects of the wiring that comprises the Electronic Security Perimeter (ESP).	Harry Tom	4/2/08	7/8/08 (1) 8/31/09 (2)	8/7/08 (1) (21.52%) 9/30/09 (2) (74.47%)			The second initial ballot ended on October 12, 2009, and the drafting team is preparing reply comments for recirculation. This project has been delayed because some in the industry feel the interpretation may have gone beyond the words in the requirement.
Project 2009-17 Interpretation of PRC-004 and PRC-005 R2 by Y-W Electric and Tri-State G & T	Y-W Electric Association, Inc. (Y-WEA) and Tri-State Generation and Transmission Association, Inc. (Tri-State) respectfully request an interpretation of the term "transmission Protection System" and specifically whether protection for a radially-connected transformer protection system energized from the BES is considered a transmission Protection System and is subject to these standards.	Darrel Richardson	3/25/09	6/30/09 (1) 10/20/09 (2) 3/29/10 (3)	7/31/09 (62.15%) 11/19/09 (58.91%) 4/28/10 (74.55%)			The interpretation was posted for a third initial ballot and received an approval rating of 74.55%. The DT has developed responses to comments received during the ballot and has opted not to make further revisions to the interpretation. Documents have been sent to NERC staff for review and posting for recirculation ballot.
Project 2009-19 Interpretation of BAL-002-0 R4 and R5 by NWPP Reserve Sharing Group	The Northwest Power Pool Reserve Sharing Group requests clarification with respect to the exclusion from compliance evaluation for Disturbances affecting a Reserve Sharing Group and the meaning of the phrase "excluded from compliance evaluation" as used in Section 1.4 ("Additional Compliance Information") of Part D of BAL-002-0.	Andy Rodriguez	9/2/09	01/15/10	2/15/10 (48.6%)			The initial ballot only achieved a 48.6 approval rate. Most comments focused on the compliance elements of the standard or otherwise suggested that the team add to the standard beyond what is currently written. Staff recommends that no further effort be spent on this interpretation, instead allowing the BACSDT to use that energy to rewrite the standard.

Project	Description	Coordinator	Accepted	Pre-ballot(s)	Initial ballot(s)	Recirc ballot	BOT	Notes/Status
Project 2009-20 Interpretation of BAL-003-0 R4 and R5 by Howard Illian	Mr. Illian is seeking clarification to confirm BAL-003 - Frequency Response and Bias does not require any level of Frequency Response, and that the comparison of the values should be in absolute terms.	Darrel Richardson	9/15/09	10/21/09	11/20/09 (93.40%)	2/16/10 91.90%		Approved by industry
Project 2009-22 Interpretation of COM-002-2 R2 by the IRC	The ISO/RTO Council is seeking clarification as to whether routine operating instructions are "directives" or whether "directives" are limited to actual and anticipated emergency operating conditions.	Howard Gugel	10/2/09					The team met Nov. 17-18 to draft a response. Due to differences of opinion by the team, they conducted a follow-up conference call on Dec. 4. NERC staff has disagreed with the interpretation and has asked that the team reconsider.
Project 2009-23 Interpretation of CIP-004-2 R3 by the Army Corps of Engineers	The Army Corps of Engineers are seeking clarification as to the personnel risk assessment program's verification of identification and seven-year criminal check requirements.	Howard Gugel	9/18/09	10/29/09 (1) 02/25/10 (2)	12/1/09 (72.11%) 3/29/10 (63.43%)			The second initial ballot ended on April 8, 2010 with 63.43% approval. Based on comments received, the team believes the industry will not approve an interpretation the team will support.
Project 2009-24 Interpretation of EOP-005-1 R7 by FMPP	The Florida Municipal Power Agency (FMPP) is seeking an interpretation as to what is meant by the phrase "verify the restoration procedure" and by the term "simulation" in requirement R7. For a TOP without any blackstart facilities in its restoration plan, can exercises and tabletop drills be used to meet Requirement R7 by "verifying the restoration procedure" through tabletop "simulations?"	Howard Gugel	10/5/09	11/19/09	1/5/09 (17.79%)			A second pre-ballot review closed April 21, 2010. Placed on hold by the Standards Committee.
Project 2009-25 Interpretation of BAL-001-01 and BAL-002-0 by BPA	The Bonneville Power Administration (BPA) is seeking the following interpretations: 1. When responding to a disturbance as described in BAL-002 R4, is the "ACE" referenced in the standards intended to be the "control ACE" used in AGC, or the "raw ACE" referenced in BAL-001? 2. Can the "raw ACE" referenced in BAL-001 include the ACE Diversity Interchange (ADI) offset? 3. Does ADI as implemented in the Western Interconnection meet the BAL-001 and BAL-002 reporting standards since the ADI adjustment does go into the NERC reportable ACE (raw ACE) with what has been characterized as a pseudo-tie, but is not scheduled and is paid back with the inadvertent interchange payback methodology as used in WECC?	Howard Gugel	10/5/09	11/19/09	1/5/09 (34.28%)			Due to the nature of the question and the interpretation, the team is in discussions with the ADITF to determine a resolution to this issue.
Project 2009-26 Interpretation of CIP-004-1 R2 thru R4 by WECC	WECC is seeking clarification on the definition of "authorized access" as applied to temporary support from vendors. Do the training, risk assessment and access requirements specified in R2, R3, and R4 apply to vendors who are supervised? Assuming that a "supervised" vendor is exempt from CIP-004-1, Requirements R2, R3 and R4, would temporary, indirect and monitored access such as that provided through remote terminal sessions (WebEx, etc.) or escorted physical access be considered supervision?	Howard Gugel	10/27/09	12/07/09	1/6/10 (42.24%)			Based on comments received, the team feels that the industry will not approve an interpretation that the team will support. The CSO706 team is incorporating the team's interpretation into proposed CIP-011-1. The interpretation is on hold.
Project 2009-27 Interpretation of TOP-002-2a R10 by FMPP	Florida Municipal Power Pool (FMPP) is seeking clarification as to whether requirement R10 requires the BA to plan to maintain load-interchange-generation balance under the direction of the TOPs for meeting all SOLs and IROLS.	Al McMeekin	11/30/09	01/11/10	2/10/10 (90.82%)			Placed on hold by the Standards Committee.

Project	Description	Coordinator	Accepted	Pre-ballot(s)	Initial ballot(s)	Recirc ballot	BOT	Notes/Status
Project 2009-28 Interpretation of EOP-001-1 and EOP-001-2 R2.2 by FMPP	Florida Municipal Power Pool (FMPP) is seeking clarification as to whether the BA needs to develop a plan to maintain a load-interchange-generation balance during operating emergencies and follow the directives of the TOP.	Al McMeekin	11/30/09	1/11/10 3/24/10	2/10/10 (91.79%)			Pre-ballot review ended April 23. Placed on hold by the Standards Committee.
Project 2009-29 Interpretation of TOP-002-2a R6 by FMPP	Florida Municipal Power Pool (FMPP) is seeking clarification as to whether it is the responsibility of a BA to plan to meet CPS and DCS under unscheduled changes in the system configuration and generation dispatch.	Al McMeekin	11/30/09	01/11/10	2/11/10 (84.56%)			Documents are being prepared for resubmission. Placed on hold by the Standards Committee.
Project 2009-30 Interpretation of PRC-001-1 R1 by WPSC	Wisconsin Public Service Corporation (WPSC) is seeking clarification of the term "Generator Operator" as it applies to requirement R1 of PRC-001-1.	Al McMeekin	12/2/09	01/15/10	2/15/10 (48.74%)			Documents have been resubmitted for posting review.
Project 2009-31 Interpretation of TOP-001-1 R8 by FMPP	Florida Municipal Power Pool (FMPP) is seeking clarification as to whether it is the Balancing Authority's responsibility to immediately take corrective action to restore Real Power Balance and whether it is the TOP's responsibility to immediately take corrective action to restore Reactive Power Balance.	Al McMeekin	12/21/09	01/29/10	2/26/10 (98.27%)	Approved by industry on initial ballot (no negative votes with reasons)	05/14/10	Approved by Board of Trustees
Project 2009-32 Interpretation of EOP-003-1 R3 and R5 by FMPP	Florida Municipal Power Pool (FMPP) is seeking clarification as to whether R3 and R5 apply only to automatic load shedding or both automatic and manual load shedding.	Al McMeekin	12/21/09	01/27/10	3/1/10 (no quorum) 3/10/10 (re-ballot)	3/31/10 (77.66%)		Re-ballot closed 3/31/2010. Meeting to be scheduled to address industry comments. Placed on hold by the Standards Committee.
Interpretation 2010-01 Interpretation of TOP-006-2 R1 and R3 for FMPP	Florida Municipal Power Pool (FMPP) is seeking clarification as to whether the Balancing Authority is responsible for reporting generation resources available for use and the Transmission Operator is responsible for reporting transmission resources that are available for use. They are also seeking clarification as to whether "appropriate technical information concerning protective relays" refers to protective relays for which the entity has responsibility.	Al McMeekin	1/20/10	3/5/10				Pre-ballot closed April 4, 2010. Balloting Deferred per Standards Committee.
Interpretation 2010-02 Interpretation of TOP-003-1 R2 for FMPP	Florida Municipal Power Pool (FMPP) is seeking clarification as to whether the requirement to plan and coordinate for scheduled outages of system voltage regulating equipment for the Balancing Authority mean plan and coordinate scheduled outages of generators within the Balancing Authority.	Al McMeekin	1/20/10	3/5/10				Pre-ballot closed April 4, 2010. Balloting Deferred per Standards Committee.
Interpretation 2010-03 Interpretation of TOP-002-2a R2 R8 and R19 for FMPP	Florida Municipal Power Pool (FMPP) is seeking clarification as to what "ensure" and "deliverability/ capability" mean and whether the Balancing Authority needs to maintain accurate computer models to analyze and plan to maintain a load-interchange-generation balance.	Al McMeekin	1/20/10	3/5/10				Pre-ballot closed April 4, 2010. Balloting Deferred per Standards Committee.
Interpretation 2010-04 Interpretation of EOP-001-1 R2 for FMPP	Florida Municipal Power Pool (FMPP) is seeking clarification as to what "a set of plans for system restoration" means.	Al McMeekin	1/20/10	3/5/10				Pre-ballot closed April 4, 2010. Balloting Deferred per Standards Committee.
Interpretation 2010-INT-05 Interpretation of CIP-002-1 R3 for Duke Energy	Duke Energy is seeking clarification on the phrase "Examples at control centers and backup control centers include systems and facilities at master and remote sites that provide monitoring and control, automatic generation control, real-time power system modeling, and real-time inter-utility data exchange" and what the phrase "essential to the operation of the Critical Asset" means.	Howard Gugel	7/27/10					

Interpretation of BAL-002 Requirement R5 from El Paso Electric Co. (received 7/16/2010)
 The interpretation was not accepted as it is asking for clarity on 'how' to apply the standard in a specific scenario - in accordance with the BOT's guidance, this does not meet the criteria for a 'valid' request for an interpretation. (rejected 08/05/10)

Project	Description	Coordinator	Accepted	Pre-ballot(s)	Initial ballot(s)	Recirc ballot	BOT	Notes/Status
Project 2008-07 Interpretation of EOP-002-2 R6.3 and R7.1 by Brookfield Power	Brookfield Power is seeking interpretation of Reliability Standard EOP-002-2, Capacity and Energy Emergencies, Requirements 6.3 and 7.1.	Darrel Richardson	1/31/08	05/02/08	6/2/08 10/16/08	8/20/09 (86.96%)	Remanded 1/16/10	The interpretation was remanded to the Standards Committee because it exceeded the scope of the standard. Instead of spending more time on the interpretation, the board directed the Standards Committee to initiate action to revise the standard.
Project 2008-09 Interpretation of EOP-001-0 R1 by Regional Entity Compliance Managers	The Regional Entity Compliance Managers (RECM) requests an interpretation and clarity for language in EOP-001-0, Requirement 1: 1. What is the definition of emergency assistance in the context of this standard? 2. What was intended by using the adjective "adjacent" in Requirement 1? 3. What is the definition of the word "remote" as stated in the last phrase of Requirement 1? 4. Would a Balancing Authority that participates in a Reserve Sharing Group Agreement, which meets the requirements of Reliability Standard BAL-002-0, Requirement 2, be required to establish additional operating agreements to achieve compliance with Reliability Standard EOP-001-0, Requirement 1?	Harry Tom (Larry Kezele)	4/2/08	5/19/08 (1) 1/28/09 (2) 10/6/09 (3) 3/16/10 (4)	6/19/08 (1) (85.79%) 2/27/09 (2) (89.03%) 11/5/09 (3) (98.07%) 4/15/10 (4) (98.64%)			The ORS Executive Committee is serving as the drafting team for this RFI. The fourth initial ballot period closed on April 15, 2010. The ORS has prepared its response to comments and has sent documents to NERC staff for review and posting for recirculation ballot.
Project 2008-10 Interpretation of CIP-006-1 R1.1 by Progress Energy	Progress Energy requests an interpretation as to the applicability of CIP-006-1 R1 to the aspects of the wiring that comprises the Electronic Security Perimeter (ESP).	Harry Tom	4/2/08	7/8/08 (1) 8/31/09 (2)	8/7/08 (1) (21.52%) 9/30/09 (2) (74.47%)			The second initial ballot ended on October 12, 2009, and the drafting team is preparing reply comments for recirculation. This project has been delayed because some in the industry feel the interpretation may have gone beyond the words in the requirement.
Project 2009-17 Interpretation of PRC-004 and PRC-005 R2 by Y-W Electric and Tri-State G & T	Y-W Electric Association, Inc. (Y-WEA) and Tri-State Generation and Transmission Association, Inc. (Tri-State) respectfully request an interpretation of the term "transmission Protection System" and specifically whether protection for a radially-connected transformer protection system energized from the BES is considered a transmission Protection System and is subject to these standards.	Darrel Richardson	3/25/09	6/30/09 (1) 10/20/09 (2) 3/29/10 (3)	7/31/09 (62.15%) 11/19/09 (58.91%) 4/28/10 (74.55%)			The interpretation was posted for a third initial ballot and received an approval rating of 74.55%. The DT has developed responses to comments received during the ballot and has opted not to make further revisions to the interpretation. Documents have been sent to NERC staff for review and posting for recirculation ballot.
Project 2009-19 Interpretation of BAL-002-0 R4 and R5 by NWPP Reserve Sharing Group	The Northwest Power Pool Reserve Sharing Group requests clarification with respect to the exclusion from compliance evaluation for Disturbances affecting a Reserve Sharing Group and the meaning of the phrase "excluded from compliance evaluation" as used in Section 1.4 ("Additional Compliance Information") of Part D of BAL-002-0.	Andy Rodriguez	9/2/09	01/15/10	2/15/10 (48.6%)			The initial ballot only achieved a 48.6 approval rate. Most comments focused on the compliance elements of the standard or otherwise suggested that the team add to the standard beyond what is currently written. Staff recommends that no further effort be spent on this interpretation, instead allowing the BACSDT to use that energy to rewrite the standard.
Project 2009-20 Interpretation of BAL-003-0 R4 and R5 by Howard Illian	Mr. Illian is seeking clarification to confirm BAL-003 - Frequency Response and Bias does not require any level of Frequency Response, and that the comparison of the values should be in absolute terms.	Darrel Richardson	9/15/09	10/21/09	11/20/09 (93.40%)	2/16/10 91.90%		Approved by industry

Project	Description	Coordinator	Accepted	Pre-ballot(s)	Initial ballot(s)	Recirc ballot	BOT	Notes/Status
Project 2009-22 Interpretation of COM-002-2 R2 by the IRC	The ISO/RTO Council is seeking clarification as to whether routine operating instructions are "directives" or whether "directives" are limited to actual and anticipated emergency operating conditions.	Howard Gugel	10/2/09					The team met Nov. 17-18 to draft a response. Due to differences of opinion by the team, they conducted a follow-up conference call on Dec. 4. NERC staff has disagreed with the interpretation and has asked that the team reconsider.
Project 2009-23 Interpretation of CIP-004-2 R3 by the Army Corps of Engineers	The Army Corps of Engineers are seeking clarification as to the personnel risk assessment program's verification of identification and seven-year criminal check requirements.	Howard Gugel	9/18/09	10/29/09 (1) 02/25/10 (2)	12/1/09 (72.11%) 3/29/10 (63.43%)			The second initial ballot ended on April 8, 2010 with 63.43% approval. Based on comments received, the team believes the industry will not approve an interpretation the team will support.
Project 2009-24 Interpretation of EOP-005-1 R7 by FMPA	The Florida Municipal Power Agency (FMPA) is seeking an interpretation as to what is meant by the phrase "verify the restoration procedure" and by the term "simulation" in requirement R7. For a TOP without any blackstart facilities in its restoration plan, can exercises and tabletop drills be used to meet Requirement R7 by "verifying the restoration procedure" through tabletop "simulations?"	Howard Gugel	10/5/09	11/19/09	1/5/09 (17.79%)			A second pre-ballot review closed April 21, 2010. Placed on hold by the Standards Committee.
Project 2009-25 Interpretation of BAL-001-01 and BAL-002-0 by BPA	The Bonneville Power Administration (BPA) is seeking the following interpretations: 1. When responding to a disturbance as described in BAL-002 R4, is the "ACE" referenced in the standards intended to be the "control ACE" used in AGC, or the "raw ACE" referenced in BAL-001? 2. Can the "raw ACE" referenced in BAL-001 include the ACE Diversity Interchange (ADI) offset? 3. Does ADI as implemented in the Western Interconnection meet the BAL-001 and BAL-002 reporting standards since the ADI adjustment does go into the NERC reportable ACE (raw ACE) with what has been characterized as a pseudo-tie, but is not scheduled and is paid back with the inadvertent interchange payback methodology as used in WECC?	Howard Gugel	10/5/09	11/19/09	1/5/09 (34.28%)			Due to the nature of the question and the interpretation, the team is in discussions with the ADITF to determine a resolution to this issue.
Project 2009-26 Interpretation of CIP-004-1 R2 thru R4 by WECC	WECC is seeking clarification on the definition of "authorized access" as applied to temporary support from vendors. Do the training, risk assessment and access requirements specified in R2, R3, and R4 apply to vendors who are supervised? Assuming that a "supervised" vendor is exempt from CIP-004-1, Requirements R2, R3 and R4, would temporary, indirect and monitored access such as that provided through remote terminal sessions (WebEx, etc.) or escorted physical access be considered supervision?	Howard Gugel	10/27/09	12/07/09	1/6/10 (42.24%)			Based on comments received, the team feels that the industry will not approve an interpretation that the team will support. The CSO706 team is incorporating the team's interpretation into proposed CIP-011-1. The interpretation is on hold.
Project 2009-27 Interpretation of TOP-002-2a R10 by FMPP	Florida Municipal Power Pool (FMPP) is seeking clarification as to whether requirement R10 requires the BA to plan to maintain load-interchange-generation balance under the direction of the TOPs for meeting all SOLs and IROLs.	Al McMeekin	11/30/09	01/11/10	2/10/10 (90.82%)			Placed on hold by the Standards Committee.
Project 2009-28 Interpretation of EOP-001-1 and EOP-001-2 R2.2 by FMPP	Florida Municipal Power Pool (FMPP) is seeking clarification as to whether the BA needs to develop a plan to maintain a load-interchange-generation balance during operating emergencies and follow the directives of the TOP.	Al McMeekin	11/30/09	1/11/10 3/24/10	2/10/10 (91.79%)			Pre-ballot review ended April 23. Placed on hold by the Standards Committee.

Project	Description	Coordinator	Accepted	Pre-ballot(s)	Initial ballot(s)	Recirc ballot	BOT	Notes/Status
Project 2009-29 Interpretation of TOP-002-2a R6 by FMPP	Florida Municipal Power Pool (FMPP) is seeking clarification as to whether it is the responsibility of a BA to plan to meet CPS and DCS under unscheduled changes in the system configuration and generation dispatch.	Al McMeekin	11/30/09	01/11/10	2/11/10 (84.56%)			Documents are being prepared for resubmission. Placed on hold by the Standards Committee.
Project 2009-30 Interpretation of PRC-001-1 R1 by WPSC	Wisconsin Public Service Corporation (WPSC) is seeking clarification of the term "Generator Operator" as it applies to requirement R1 of PRC-001-1.	Al McMeekin	12/2/09	01/15/10	2/15/10 (48.74%)			Documents have been resubmitted for posting review.
Project 2009-31 Interpretation of TOP-001-1 R8 by FMPP	Florida Municipal Power Pool (FMPP) is seeking clarification as to whether it is the Balancing Authority's responsibility to immediately take corrective action to restore Real Power Balance and whether it is the TOP's responsibility to immediately take corrective action to restore Reactive Power Balance.	Al McMeekin	12/21/09	01/29/10	2/26/10 (98.27%)	Approved by industry on initial ballot (no negative votes with reasons)	05/14/10	Approved by Board of Trustees
Project 2009-32 Interpretation of EOP-003-1 R3 and R5 by FMPP	Florida Municipal Power Pool (FMPP) is seeking clarification as to whether R3 and R5 apply only to automatic load shedding or both automatic and manual load shedding.	Al McMeekin	12/21/09	01/27/10	3/1/10 (no quorum) 3/10/10 (re-ballot)	3/31/10 (77.66%)		Re-ballot closed 3/31/2010. Meeting to be scheduled to address industry comments. Placed on hold by the Standards Committee.
Interpretation 2010-01 Interpretation of TOP-006-2 R1 and R3 for FMPP	Florida Municipal Power Pool (FMPP) is seeking clarification as to whether the Balancing Authority is responsible for reporting generation resources available for use and the Transmission Operator is responsible for reporting transmission resources that are available for use. They are also seeking clarification as to whether "appropriate technical information concerning protective relays" refers to protective relays for which the entity has responsibility.	Al McMeekin	1/20/10	3/5/10				Pre-ballot closed April 4, 2010. Balloting Deferred per Standards Committee.
Interpretation 2010-02 Interpretation of TOP-003-1 R2 for FMPP	Florida Municipal Power Pool (FMPP) is seeking clarification as to whether the requirement to plan and coordinate for scheduled outages of system voltage regulating equipment for the Balancing Authority mean plan and coordinate scheduled outages of generators within the Balancing Authority.	Al McMeekin	1/20/10	3/5/10				Pre-ballot closed April 4, 2010. Balloting Deferred per Standards Committee.
Interpretation 2010-03 Interpretation of TOP-002-2a R2 R8 and R19 for FMPP	Florida Municipal Power Pool (FMPP) is seeking clarification as to what "ensure" and "deliverability/ capability" mean and whether the Balancing Authority needs to maintain accurate computer models to analyze and plan to maintain a load-interchange-generation balance.	Al McMeekin	1/20/10	3/5/10				Pre-ballot closed April 4, 2010. Balloting Deferred per Standards Committee.
Interpretation 2010-04 Interpretation of EOP-001-1 R2 for FMPP	Florida Municipal Power Pool (FMPP) is seeking clarification as to what "a set of plans for system restoration" means.	Al McMeekin	1/20/10	3/5/10				Pre-ballot closed April 4, 2010. Balloting Deferred per Standards Committee.
Interpretation 2010-INT-05 Interpretation of CIP-002-1 R3 for Duke Energy	Duke Energy is seeking clarification on the phrase "Examples at control centers and backup control centers include systems and facilities at master and remote sites that provide monitoring and control, automatic generation control, real-time power system modeling, and real-time inter-utility data exchange" and what the phrase "essential to the operation of the Critical Asset" means.	Howard Gugel	7/27/10					The team is finalizing their interpretation and expect to submit to NERC staff by August 31 in order to post for ballot by September 10.

Other Requests for Interpretation								
Interpretation of BAL-002 Requirement R5 from El Paso Electric Co. (received 7/16/2010)	The interpretation was not accepted as it is asking for clarity on 'how' to apply the standard in a specific scenario - in accordance with the BOT's guidance, this does not meet the criteria for a 'valid' request for an interpretation. (rejected 08/05/10)		n/a					
Interpretation of CIP-004-3 Requirement R4.2 from AEP (received 8/5/2010)	The interpretation was not accepted as it is asking for clarity on language that is not in the requirement.		n/a					

From: Andy Rodriquez
To: ["Quintin.Guy@hydro.qc.ca"](mailto:Quintin.Guy@hydro.qc.ca); ["howard.illian@energymark.com"](mailto:howard.illian@energymark.com)
Subject: Operating Margin Standard
Date: Tuesday, March 09, 2010 5:20:00 PM
Attachments: [BAL-013-AJR-NEW.doc](#)

OK - let the rock throwing begin. Good? Terrible? What do you think?

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Mobile: 609-947-3885
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From: [Howard Illian](#)
To: [Andy Rodriguez](#); Quintin.Guy@hydro.qc.ca
Subject: RE: Operating Margin Standard
Date: Wednesday, March 10, 2010 8:08:57 AM

Some comments.

Howard F. Illian, President
Energy Mark, Inc.
334 Satinwood Ct. N.
Buffalo Grove, Illinois 60089
Office: 847-913-5491
Cell: 847-910-9510

From: Andy Rodriguez [mailto:Andy.Rodriguez@nerc.net]
Sent: Tuesday, March 09, 2010 4:21 PM
To: Quintin.Guy@hydro.qc.ca; howard.illian@energymark.com
Subject: Operating Margin Standard

OK - let the rock throwing begin. Good? Terrible? What do you think?

<<BAL-013-AJR-NEW.doc>>

Andy Rodriguez
Manager, Business Practice Coordination
North American Electric Reliability Corporation
Washington, D.C. Office: 202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net

From: Andy Rodriquez
To: "Howard Illian"; Quintin.Guy@hydro.qc.ca
Subject: RE: Operating Margin Standard
Date: Wednesday, March 10, 2010 8:17:00 AM

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From: Howard Illian [<mailto:howard.illian@energymark.com>]
Sent: Wednesday, March 10, 2010 8:10 AM
To: Andy Rodriquez; Quintin.Guy@hydro.qc.ca
Subject: RE: Operating Margin Standard

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From: [Howard Illian](#)
To: [Andy Rodriguez](#); Quintin.Guy@hydro.qc.ca
Subject: RE: Operating Margin Standard
Date: Wednesday, March 10, 2010 9:07:39 AM

Andy,

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From: Andy Rodriguez [mailto:Andy.Rodriguez@nerc.net]
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To: Howard Illian; Quintin.Guy@hydro.qc.ca
Subject: RE: Operating Margin Standard

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andy.rodriquez@nerc.net

From: Andy Rodriquez
To: ["Howard Illian"; Quintin.Guy@hydro.qc.ca](#)
Subject: RE: Operating Margin Standard
Date: Wednesday, March 10, 2010 9:14:00 AM

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From: [Howard Illian](#)
To: [Andy Rodriguez](#); Quintin.Guy@hydro.qc.ca
Subject: RE: Operating Margin Standard
Date: Wednesday, March 10, 2010 9:25:35 AM

My definitions:

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To: Howard Illian; Quintin.Guy@hydro.qc.ca
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andy.rodriquez@nerc.net

From: Andy Rodriquez
To: "Howard Illian"; Quintin.Guy@hydro.qc.ca
Subject: RE: Operating Margin Standard
Date: Wednesday, March 10, 2010 9:48:00 AM

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So to me, their structure kind of makes sense.

So why did you choose your structure? "Auto(frequency response)/Auto(variation response)&Manual(disturbance response)/Manual(meet load)?"

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From: Howard Illian [<mailto:howard.illian@energymark.com>]
Sent: Wednesday, March 10, 2010 9:27 AM
To: Andy Rodriquez; Quintin.Guy@hydro.qc.ca
Subject: RE: Operating Margin Standard

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Cell: 847-910-9510

From: Andy Rodriquez [mailto:Andy.Rodriquez@nerc.net]
Sent: Wednesday, March 10, 2010 8:15 AM
To: Howard Illian; Quintin.Guy@hydro.qc.ca
Subject: RE: Operating Margin Standard

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Some comments.

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Manager, Business Practice Coordination
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Washington, D.C. Office: 202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net

From: [Howard Illian](#)
To: [Andy Rodriguez](#)
Subject: RE: Operating Margin Standard
Date: Wednesday, March 10, 2010 11:13:01 AM

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From: Andy Rodriguez [mailto:Andy.Rodriquez@nerc.net]
Sent: Wednesday, March 10, 2010 8:49 AM
To: Howard Illian; Quintin.Guy@hydro.qc.ca
Subject: RE: Operating Margin Standard

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Mobile: 609-947-3885
andy.rodriquez@nerc.net

From: [Andy Rodriguez](#)
To: [Howard Illian](#); [Andy Rodriguez](#)
Subject: RE: Operating Margin Standard
Date: Wednesday, March 10, 2010 12:39:20 PM

I'm not sure that is relevant, as I think we would all agree that size in this case is relative, not absolute. The amount of energy delivered from primary control is less than that from secondary control which is less than tertiary control. No?

What does the RS think about the alternate classification you suggest? Have they offered any opinion?

Andy Rodriguez
- messaging remotely.

-----Original Message-----

From: Howard Illian <howard.illian@energymark.com>
Sent: Wednesday, March 10, 2010 11:13 AM
To: 'Andy Rodriguez' <Andy.Rodriguez@nerc.net>
Subject: RE: Operating Margin Standard

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From: [Howard I](#)
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Cc: Quintin.Guy@hydro.qc.ca
Subject: RE: Operating Margin Standard
Date: Thursday, March 11, 2010 9:18:11 AM

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Howard F. Illian, President
Energy Mark, Inc.
334 Satinwood Ct. N.
Buffalo Grove, Illinois 60089
Office: 847-913-5491
Cell: 847-910-9510

-----Original Message-----

From: Andy Rodriguez [<mailto:Andy.Rodriguez@nerc.net>]
Sent: Wednesday, March 10, 2010 11:40 AM
To: Howard Illian; 'Andy Rodriguez'
Subject: RE: Operating Margin Standard

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Andy Rodriguez
- messaging remotely.

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From: Howard Illian <howard.illian@energymark.com>
Sent: Wednesday, March 10, 2010 11:13 AM
To: 'Andy Rodriguez' <Andy.Rodriguez@nerc.net>
Subject: RE: Operating Margin Standard

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Sent: Wednesday, March 10, 2010 8:49 AM

To: Howard Illian; Quintin.Guy@hydro.qc.ca

Subject: RE: Operating Margin Standard

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Sent: Tuesday, March 09, 2010 4:21 PM
To: Quintin.Guy@hydro.qc.ca; howard.illian@energymark.com
Subject: Operating Margin Standard

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<<BAL-013-AJR-NEW.doc>>

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<<mailto:andy.rodriquez@nerc.net>> andy.rodriquez@nerc.net

From: Andy Rodriguez
To: "Howard I"
Cc: Quintin.Guy@hydro.qc.ca
Subject: RE: Operating Margin Standard
Date: Thursday, March 11, 2010 9:25:00 AM

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Some comments.

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OK - let the rock throwing begin. Good? Terrible? What do you think?

<<BAL-013-AJR-NEW.doc>>

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<<mailto:andy.rodriquez@nerc.net>> andy.rodriquez@nerc.net

From: Quintin.Guy@hydro.qc.ca
To: Andy.Rodriguez@energymark_inc@comcast.net
Subject: RE: Operating Margin Standard
Date: Thursday, March 11, 2010 4:01:54 PM

Andy and Howard.

Sorry for not answering to your emails. I was out of my office during the last few days.

The definitions of Primary, Secondary and Tertiary controls are an interesting debate but it seems that it is not directly related to the goal we want to reach.

In my mind, we want to define categories of "available power adjustment" in relation to specific needs associated with the balancing function. And we want to come up with names for these categories that don't already designate market products in order to avoid misinterpretation.

I have already proposed the following four categories:

First category: power adjustment that is automatically and locally performed from multiple resources. I think we all agreed on "Frequency Responsive Reserve" for this one.

Second category: power adjustment that is automatically performed from specific resources controlled by the BA's control center. It is used as a "fine" adjustment of frequency as opposed to units (or resources) starts/stops that perform the "course" adjustment.

Third category: power adjustment that is available to the BA in order to balance the anticipated load (or variable generation) in the near future. This adjustment can be manual (starts/stops) or by modifying the MW setpoint of resources.

Fourth category: power adjustment that is available to the BA in order to rebalance the system following a frequency event, such as a generation or load trip.

The first and second categories correspond to "transient" requirements. The adjustment is required for a limited amount of time until power is replaced by the third or fourth category.

The same MW accounted for in the first category could also be considered in any of the other three categories. But the MWs in categories 2, 3 and 4 are mutually exclusive.

Of course, these categories should be accurately defined in order for a BA to know if a market product could be accounted for in any of them.

Regards,

Guy Quintin
Ingénieur CDR
Direction CMÉ
Hydro-Québec TransÉnergie
Tel: 514-289-2211 #3150
cell: 514-793-9838

-----Message d'origine-----

De : Andy Rodriguez [<mailto:Andy.Rodriguez@nerc.net>]

Envoyé : 11 mars 2010 09:26

À : Howard I

Cc : Quintin, Guy

Objet : RE: Operating Margin Standard

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From: Quintin.Guy@hydro.qc.ca
To: Andy.Rodriguez@energymark_inc@comcast.net
Subject: RE: Operating Margin Standard
Date: Thursday, April 08, 2010 3:36:44 PM

Andy and Howard.

Beyond the vocabulary that will be chosen at the end, do you agree in principle with the requirements defined in the last version of the "Operating Reserves classes and definitions" document (attached)?

Let me show you an example of how a Balancing Authority should manage if a NERC standard containing these requirements was adopted.

- Scheduling operations

For every scheduling time steps (for instance, for every hours of the next day), the BA should give consideration to the followings:
(I will only use HR13 to simplify the example)

The forecasted BA internal load for HR13 is 10 000 MW.

The NERC standard asks for provisions based on the accuracy of this load forecast. Let's pretend this requirement is "three times the standard deviation of the forecasting errors" = 300 MW.

Therefore, the BA should make sure that 10 300 MW is available tomorrow at HR13 and that the generation can be lowered to 9 700 MW if required.

In addition, the BA should make sure that enough generation (or load) among the 9 700 MW can be assigned to the AGC (or any other mechanism) in order to comply with its CPS obligation. If the BA can manage without AGC (only through manual dispatch), this is fine.

In addition, the BA should make sure that enough generation (or load) among the 9 700 MW is frequency responsive (following the detailed requirements included in the NERC standard). The required amount of Frequency Responsive Reserve is provided to the BA following a NERC procedure (TBD).

Finally, the BA should make sure that Contingency Reserve is available either as additional available generation (in addition to the 10 300 MW) or as interruptible load. The required amount is described in the NERC standard and depends on the BA largest single contingency (or largest contingencies) (TBD).

- Real Time operations

In real time, the BA should evaluate and display to the system operator the following data:

- Internal load
- Load following capability margins (raise and lower)
- Total regulating range
- Regulating margins (raise and lower)
- Frequency Responsive Reserve
- Contingency Reserve

The system operator should dispatch the resources associated with the load following capability in such a way that the Regulating Margins will not be exhausted.

The system operator should dispatch the generation in such a way that Frequency Responsive Reserve

is uniformly distributed among the participating units. The FRR minimum requirement should be met at all time.

The system operator should make sure that Contingency Reserve meets the minimum requirement as long as possible. If a Contingency Reserve deficit is experienced, specific actions should be taken in order to limit the duration of the deficit to the Contingency Reserve Restoration Period. For that purpose, a plan should be available to the system operator.

Best regards,

Guy Quintin
Ingénieur
Chef intérimaire - Centre de Contrôle du Réseau
Programmation et Contrôle Du Réseau
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Tel: 514-289-2211 #3150
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Envoyé : 11 mars 2010 09:26
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Cc: Quintin.Guy@hydro.qc.ca
Subject: RE: Operating Margin Standard

As far as I know, the RS does not have a problem with what I have suggested.

We can ask them in person when we meet in St. Louis in April. The question about size is different if you look at a single BA interconnection. For example in Texas, they could have the same margin for Frequency Response as they have for Contingency Reserve with a smaller amount for AGC. This is because they need to arrest any size event that they are expected to experience. This takes a specific

amount of Frequency Responsive Reserve plus an additional small amount for expected normal control error at the time the disturbance occurs. They would then need that same amount of contingency reserve to restore frequency to schedule. In that case the amount of Frequency Responsive reserve and contingency reserve would be close to each other. The only reason that this is different on the Eastern Interconnection is that we share the Frequency Responsive reserve more than we share the contingency reserve.

Howard F. Illian, President
Energy Mark, Inc.
334 Satinwood Ct. N.
Buffalo Grove, Illinois 60089
Office: 847-913-5491
Cell: 847-910-9510

-----Original Message-----

From: Andy Rodriquez [<mailto:Andy.Rodriquez@nerc.net>]
Sent: Wednesday, March 10, 2010 11:40 AM
To: Howard Illian; 'Andy Rodriquez'
Subject: RE: Operating Margin Standard

I'm not sure that is relevant, as I think we would all agree that size in this case is relative, not absolute. The amount of energy delivered from primary control is less than that from secondary control which is less than tertiary control. No?

What does the RS think about the alternate classification you suggest? Have they offered any opinion?

Andy Rodriquez
- messaging remotely.

-----Original Message-----

From: Howard Illian <howard.illian@energymark.com>
Sent: Wednesday, March 10, 2010 11:13 AM
To: 'Andy Rodriquez' <Andy.Rodriquez@nerc.net>
Subject: RE: Operating Margin Standard

With your definitions, where are the bright line differences between Secondary and Tertiary Control? How large is large? With your definition, the separation between Secondary and Tertiary Control depends on who is interpreting the word large. As a result, it is not a definition, it is an opinion.

Howard F. Illian, President
Energy Mark, Inc.
334 Satinwood Ct. N.
Buffalo Grove, Illinois 60089
Office: 847-913-5491
Cell: 847-910-9510

From: Andy Rodriquez [<mailto:Andy.Rodriquez@nerc.net>]
Sent: Wednesday, March 10, 2010 8:49 AM
To: Howard Illian; Quintin.Guy@hydro.qc.ca
Subject: RE: Operating Margin Standard

Being the new kid on the block, I was reading their definitions as being kind of based on the function:

Primary Control - Built in to the system (through governors and inertia).
Automatic. Small quantity of movement. Always active by default..

Secondary Control - Added to the system (through AGC and manual dispatch).
Automatic (North American default) or Manual. Medium quantity of movement, and can respond to changes larger than can be fixed with Primary Control.
Always active by default.

Tertiary Control - Added to the system (through Manual dispatch or ARS).
Manual (North American default) or Automatic. Large quantity of movement, and can respond to changes larger than can be fixed with Secondary Control.
Activated on an exception basis.

So to me, their structure kind of makes sense.

So why did you choose your structure? "Auto(frequency response)/Auto(variation response)&Manual(disturbance response)/Manual(meet load)?"

Andy Rodriquez
Manager, Business Practice Coordination
North American Electric Reliability Corporation Washington, D.C. Office:
202-383-2629
Mobile: 609-947-3885
<<mailto:andy.rodriquez@nerc.net>> andy.rodriquez@nerc.net

From: Howard Illian [<mailto:howard.illian@energymark.com>]
Sent: Wednesday, March 10, 2010 9:27 AM
To: Andy Rodriguez; Quintin.Guy@hydro.qc.ca
Subject: RE: Operating Margin Standard

My definitions:

Primary Control: Load Frequency response and Generation Governor response.

Secondary Control: All actions taken to restore frequency to schedule.

Tertiary Control: All actions taken on a balanced basis. Economic dispatch, interchange scheduling, reserve and margin redistribution.

Howard F. Illian, President

Energy Mark, Inc.

334 Satinwood Ct. N.

Buffalo Grove, Illinois 60089

Office: 847-913-5491

Cell: 847-910-9510

From: Andy Rodriguez [<mailto:Andy.Rodriguez@nerc.net>]
Sent: Wednesday, March 10, 2010 8:15 AM
To: Howard Illian; Quintin.Guy@hydro.qc.ca
Subject: RE: Operating Margin Standard

I guess I thought their definitions made sense, but I'm open - what are your definitions and why for Secondary and Tertiary?

Andy Rodriguez
Manager, Business Practice Coordination
North American Electric Reliability Corporation Washington, D.C. Office:
202-383-2629
Mobile: 609-947-3885
<<mailto:andy.rodriquez@nerc.net>> andy.rodriquez@nerc.net

From: Howard Illian [<mailto:howard.illian@energymark.com>]
Sent: Wednesday, March 10, 2010 9:09 AM
To: Andy Rodriguez; Quintin.Guy@hydro.qc.ca
Subject: RE: Operating Margin Standard

Andy,

Their definition is wrong. If their definition is wrong we should not be aligning with it. We should ask that it be corrected.

Howard F. Illian, President

Energy Mark, Inc.

334 Satinwood Ct. N.

Buffalo Grove, Illinois 60089

Office: 847-913-5491

Cell: 847-910-9510

From: Andy Rodriguez [<mailto:Andy.Rodriguez@nerc.net>]
Sent: Wednesday, March 10, 2010 7:18 AM
To: Howard Illian; Quintin.Guy@hydro.qc.ca
Subject: RE: Operating Margin Standard

Howard - the definition of Tertiary was pulled from the RS whitepaper (I think I had the most current - let me know if I am wrong). I know this is different than what we discussed, but shouldn't we be aligning with their paper? From the paper:

Tertiary Control involves the generally manual actions taken by operators in response to disturbances. It includes the initial deployment of reserves and the actions taken to expeditiously restore reserves such that the system is able to withstand the next contingency.

Andy Rodriguez
Manager, Business Practice Coordination
North American Electric Reliability Corporation Washington, D.C. Office:

202-383-2629
Mobile: 609-947-3885
<<mailto:andy.rodriquez@nerc.net>> andy.rodriquez@nerc.net

From: Howard Illian [<mailto:howard.illian@energymark.com>]
Sent: Wednesday, March 10, 2010 8:10 AM
To: Andy Rodriquez; Quintin.Guy@hydro.qc.ca
Subject: RE: Operating Margin Standard

Some comments.

Howard F. Illian, President

Energy Mark, Inc.

334 Satinwood Ct. N.

Buffalo Grove, Illinois 60089

Office: 847-913-5491

Cell: 847-910-9510

From: Andy Rodriquez [<mailto:Andy.Rodriquez@nerc.net>]
Sent: Tuesday, March 09, 2010 4:21 PM
To: Quintin.Guy@hydro.qc.ca; howard.illian@energymark.com
Subject: Operating Margin Standard

OK - let the rock throwing begin. Good? Terrible? What do you think?

<<BAL-013-AJR-NEW.doc>>

Andy Rodriquez
Manager, Business Practice Coordination
North American Electric Reliability Corporation Washington, D.C. Office:
202-383-2629
Mobile: 609-947-3885
<<mailto:andy.rodriquez@nerc.net>> andy.rodriquez@nerc.net

From: [Terry Bilke](#)
To: rs_plus@nerc.com; rbcstdt_plus@nerc.com; BACSDT_plus@nerc.com; frsdt_plus@nerc.com
Subject: Resources Subcommittee Meeting Agenda Item (drafting team coordination)
Date: Monday, April 19, 2010 9:02:28 AM

We have set aside some time on Tuesday of the RS meeting for drafting team coordination. Each of the drafting teams working on BAL-related standards may be developing things that impact the other teams. In general, all the drafting teams must work together to address the Order No. 693 directives on the BAL standards. To put some framework around future coordination, it seems like we should have a single document that outlines how the directives are going to be achieved and which team is covering the directive.

The attached document is an extract of 693, with directives highlighted. As a minimum, we should be identifying which team is addressing the given directive and a summary of their current thinking of how the directive will be addressed.

It would also help to know which things the drafting teams are doing that go beyond the directive or what the current standards require.

Time will be limited, so it will be helpful if we could have this written out by the drafting team chairs for their respective standards ahead of time. Focus should be on the highlighted items.

If there's an alternate approach to coordinate better, let me know.

Thanks,

Terry Bilke
Midwest ISO
P.O. Box 4202
Carmel, IN 46032-4202
317/249-5463

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From: [Andy Rodriguez](#)
To: bacsd_plus@nerc.com
Subject: Draft BAL-002 DCS
Date: Thursday, April 29, 2010 6:07:13 PM

Per discussion today... see what you think.
Andy Rodriguez
Manager, Business Practice Coordination
North American Electric Reliability Corporation
Washington, D.C. Office: 202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net

From: [Akens, Larry G](#)
To: [Andy Rodriguez](#)
Subject: RE: Draft BAL-002 DCS
Date: Thursday, April 29, 2010 10:47:45 PM

Thanks for all your help today. I know we tend to go in circles, but perhaps we have made sufficient progress where we can all agree that BAL-002 is ready to be posted to seek industry feedback.

Tomorrow, do you want to review or status the ADI and BAL-002 interpretations? Or perhaps that is something we can work on outside the meeting tomorrow.

-----Original Message-----

From: Andy Rodriguez [<mailto:Andy.Rodriguez@nerc.net>]
Sent: Thursday, April 29, 2010 6:07 PM
To: bacsd_t_plus@nerc.com
Subject: Draft BAL-002 DCS

Per discussion today... see what you think.

Andy Rodriguez
Manager, Business Practice Coordination
North American Electric Reliability Corporation
Washington, D.C. Office: 202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net<<mailto:andy.rodriquez@nerc.net>>

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From: folkd@firstenergycorp.com
To: [Andy Rodriguez](mailto:Andy.Rodriguez@nerc.net)
Cc: bacsdt_plus@nerc.com
Subject: Re: Draft BAL-002 DCS
Date: Monday, May 03, 2010 2:05:23 PM

Andy,

I think we are making some progress on this standard. I have added some comments (mostly questions) for the team's consideration to the copy of your draft file attached below.

(See attached file: Item 5 - BAL-002-1 -2010-APR-25_with_dlf_comments.doc)

Hope this is helpful,

David L. Folk
FirstEnergy Corp.
FERC Compliance Department
Consultant - Reliability
825-4668 (Internally)
330-384-4668 (externally)

Andy Rodriguez
<Andy.Rodriguez@n
erc.net>
04/29/2010 06:08
PM
Subject
Draft BAL-002 DCS
To
"bacsdt_plus@nerc.com"
<bacsdt_plus@nerc.com>
cc

Per discussion today... see what you think.

Andy Rodriguez
Manager, Business Practice Coordination
North American Electric Reliability Corporation
Washington, D.C. Office: 202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net<<mailto:andy.rodriquez@nerc.net>>

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[attachment "Item 5 - BAL-002-1 -2010-APR-25.doc" deleted by David L.
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From: folkd@firstenergycorp.com
To: Andy.Rodriguez@nerc.net
Cc: bacsdt_plus@nerc.com
Subject: Re: Draft BAL-002 DCS
Date: Monday, May 03, 2010 2:05:43 PM
Attachments: [Item 5 - BAL-002-1 -2010-APR-25_with_dlf_comments.doc](#)

Andy,

I think we are making some progress on this standard. I have added some comments (mostly questions) for the team's consideration to the copy of your draft file attached below.

(See attached file: [Item 5 - BAL-002-1 -2010-APR-25_with_dlf_comments.doc](#))

Hope this is helpful,

David L. Folk
FirstEnergy Corp.
FERC Compliance Department
Consultant - Reliability
825-4668 (Internally)
330-384-4668 (externally)

Andy Rodriquez
<Andy.Rodriquez@nerc.net>
04/29/2010 06:08 PM
Subject
Draft BAL-002 DCS
Please respond to
Andy Rodriquez
<Andy.Rodriquez@nerc.net>
To
"bacsdt_plus@nerc.com"
<bacsdt_plus@nerc.com>
cc

Per discussion today... see what you think.

Andy Rodriquez
Manager, Business Practice Coordination
North American Electric Reliability Corporation
Washington, D.C. Office: 202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net<<mailto:andy.rodriquez@nerc.net>>

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185956.8ee246c4898536d2bac237a0113e7848@listserv.nerc.com

From: Andy Rodriquez
To: ["folkd@firstenergycorp.com"](mailto:folkd@firstenergycorp.com)
Subject: RE: Draft BAL-002 DCS
Date: Monday, May 03, 2010 2:28:00 PM

Thanks Dave - good catch on the "Required" contingency reserves - we may need to make that "Contingency Reserves Equal to Its MSSLS" or something like that so you can't get off the hook by deploying all reserves and simply not carrying enough -

Andy Rodriquez
Manager, Business Practice Coordination
North American Electric Reliability Corporation
Washington, D.C. Office: 202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net

-----Original Message-----

From: folkd@firstenergycorp.com [<mailto:folkd@firstenergycorp.com>]
Sent: Monday, May 03, 2010 2:05 PM
To: Andy Rodriquez
Cc: bacsdt_plus@nerc.com
Subject: Re: Draft BAL-002 DCS

Andy,

I think we are making some progress on this standard. I have added some comments (mostly questions) for the team's consideration to the copy of your draft file attached below.

(See attached file: Item 5 - BAL-002-1 -2010-APR-25_with_dlf_comments.doc)

Hope this is helpful,

David L. Folk
FirstEnergy Corp.
FERC Compliance Department
Consultant - Reliability
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330-384-4668 (externally)

Andy Rodriquez
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04/29/2010 06:08 PM
To
"bacsdt_plus@nerc.com"
<bacsdt_plus@nerc.com>
cc
Subject
Please respond to Draft BAL-002 DCS
Andy Rodriquez
<Andy.Rodriquez@nerc.net>

Per discussion today... see what you think.

Andy Rodriquez
Manager, Business Practice Coordination
North American Electric Reliability Corporation Washington, D.C. Office: 202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net<<mailto:andy.rodriquez@nerc.net>>

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[attachment "Item 5 - BAL-002-1 -2010-APR-25.doc" deleted by David L. Folk/FirstEnergy]

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From: [Robert Blohm](mailto:Robert.Blohm)
To: folkd@firstenergycorp.com; [Andy Rodriguez](mailto:Andy.Rodriguez)
Cc: bacsdt_plus@nerc.com
Subject: RE: Draft BAL-002 DCS
Date: Tuesday, May 04, 2010 1:59:15 AM

My recommended rewording and answers to questions in attached, overlaid on David's version

-----Original Message-----

From: folkd@firstenergycorp.com [<mailto:folkd@firstenergycorp.com>]
Sent: Monday, May 03, 2010 2:05 PM
To: Andy Rodriguez
Cc: bacsdt_plus@nerc.com
Subject: Re: Draft BAL-002 DCS

Andy,

I think we are making some progress on this standard. I have added some comments (mostly questions) for the team's consideration to the copy of your draft file attached below.

(See attached file: Item 5 - BAL-002-1 -2010-APR-25_with_dlf_comments.doc)

Hope this is helpful,

David L. Folk
FirstEnergy Corp.
FERC Compliance Department
Consultant - Reliability
825-4668 (Internally)
330-384-4668 (externally)

Andy Rodriguez
<Andy.Rodriguez@n
erc.net> To
"bacsdt_plus@nerc.com"
04/29/2010 06:08 <bacsdt_plus@nerc.com>
PM cc
Subject
Please respond to Draft BAL-002 DCS
Andy Rodriguez
<Andy.Rodriguez@n
erc.net>

Per discussion today... see what you think.

Andy Rodriquez
Manager, Business Practice Coordination
North American Electric Reliability Corporation Washington, D.C. Office:
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Mobile: 609-947-3885
andy.rodriquez@nerc.net<<mailto:andy.rodriquez@nerc.net>>

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[attachment "Item 5 - BAL-002-1 -2010-APR-25.doc" deleted by David L.
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From: [Robert Blohm](mailto:Robert.Blohm@firstenergycorp.com)
To: folkd@firstenergycorp.com; [Andy Rodriguez](mailto:Andy.Rodriguez@nerc.com)
Cc: bacsdt_plus@nerc.com
Subject: RE: Draft BAL-002 DCS
Date: Tuesday, May 04, 2010 1:59:39 AM

My recommended rewording and answers to questions in attached, overlaid on David's version

-----Original Message-----

From: folkd@firstenergycorp.com [<mailto:folkd@firstenergycorp.com>]
Sent: Monday, May 03, 2010 2:05 PM
To: Andy Rodriguez
Cc: bacsdt_plus@nerc.com
Subject: Re: Draft BAL-002 DCS

Andy,

I think we are making some progress on this standard. I have added some comments (mostly questions) for the team's consideration to the copy of your draft file attached below.

(See attached file: Item 5 - BAL-002-1 -2010-APR-25_with_dlf_comments.doc)

Hope this is helpful,

David L. Folk
FirstEnergy Corp.
FERC Compliance Department
Consultant - Reliability
825-4668 (Internally)
330-384-4668 (externally)

Andy Rodriguez
<Andy.Rodriguez@nerc.net>
To
"bacsdt_plus@nerc.com"
<bacsdt_plus@nerc.com>
04/29/2010 06:08 PM
cc
Subject
Please respond to Draft BAL-002 DCS
Andy Rodriguez
<Andy.Rodriguez@nerc.net>

Per discussion today... see what you think.

Andy Rodriquez
Manager, Business Practice Coordination
North American Electric Reliability Corporation Washington, D.C. Office:
202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net<<mailto:andy.rodriquez@nerc.net>>

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[attachment "Item 5 - BAL-002-1 -2010-APR-25.doc" deleted by David L.
Folk/FirstEnergy]

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You are currently subscribed to bacsdt_plus as: andy.rodriquez@nerc.net
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185956.8ee246c4898536d2bac237a0113e7848@listserv.nerc.com

From: [MacDonald, Darren](#)
To: [Andy Rodriguez](#)
Subject: FW: Draft BAL-002 DCS
Date: Tuesday, May 04, 2010 8:04:36 AM

Andy, after reviewing the attached and not having participated in the discussion on loss of demand, can you clarify a couple of items for me: 1) What magnitude of "loss of demand" is considered relevant for this calculation? 2) Are these single point loads or large load pockets that might be lost due to a massive transmission or distribution failure?

Thanks for your assistance.

Darren

Darren MacDonald
Director of Energy
Gerdau Ameristeel

Phone: 905-665-3730
Fax: 905-665-3715
email: dmacdonald@gerdauameristeel.com

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-----Original Message-----

From: Robert Blohm [<mailto:blohm.r@gmail.com>] On Behalf Of Robert Blohm
Sent: Tuesday, May 04, 2010 1:59 AM
To: folkd@firstenergycorp.com; 'Andy Rodriguez'
Cc: bacsd_plus@nerc.com
Subject: RE: Draft BAL-002 DCS

My recommended rewording and answers to questions in attached, overlaid on David's version

-----Original Message-----

From: folkd@firstenergycorp.com [<mailto:folkd@firstenergycorp.com>]
Sent: Monday, May 03, 2010 2:05 PM
To: Andy Rodriguez
Cc: bacsd_plus@nerc.com
Subject: Re: Draft BAL-002 DCS

Andy,

I think we are making some progress on this standard. I have added some comments (mostly questions) for the team's consideration to the copy of your draft file attached below.

(See attached file: Item 5 - BAL-002-1
-2010-APR-25_with_dlf_comments.doc)

Hope this is helpful,

David L. Folk
FirstEnergy Corp.
FERC Compliance Department
Consultant - Reliability
825-4668 (Internally)
330-384-4668 (externally)

Andy Rodriquez
<Andy.Rodriquez@n
erc.net>
To "bacsdt_plus@nerc.com"
04/29/2010 06:08 <bacsdt_plus@nerc.com>
PM
cc
Subject Please respond to Draft BAL-002 DCS
Andy Rodriquez
<Andy.Rodriquez@n
erc.net>

Per discussion today... see what you think.

Andy Rodriquez
Manager, Business Practice Coordination
North American Electric Reliability Corporation Washington, D.C. Office:
202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net<<mailto:andy.rodriquez@nerc.net>>

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[attachment "Item 5 - BAL-002-1 -2010-APR-25.doc" deleted by David L.
Folk/FirstEnergy]

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leave-1221061-255653.d2da33c37a5e3bab154678be12d52f16@listserv.nerc.com

From: folkd@firstenergycorp.com
To: Andy_Rodriguez
Cc: bacsdt_plus@nerc.com
Subject: RE: Draft BAL-002 DCS
Date: Tuesday, May 04, 2010 8:33:04 AM

Andy,

I like the changes proposed by Robert and believe they enhance the standard. The file below contains Robert's additions along with some additional comments and thoughts. I accepted all of the changes in this document in order to preserve previously suggested wording in case my additional suggested changes were not acceptable to the group.

(See attached file: Item 5 - BAL-002-1
-2010-APR-25_with_dlf_RB_and_more_dlf_comments.doc)

Hope this is helpful,

David L. Folk
FirstEnergy Corp.
FERC Compliance Department
Consultant - Reliability
825-4668 (Internally)
330-384-4668 (externally)

"Robert Blohm"
<rb112@columbia.edu>
To
Sent by: Robert Blohm <folkd@firstenergycorp.com>, "Andy Rodriquez"
<blohm.r@gmail.com> <Andy.Rodriquez@nerc.net>
m> cc
<bacsdt_plus@nerc.com>
Subject
05/04/2010 01:59 AM RE: Draft BAL-002 DCS

Please respond to
"Robert Blohm"
<rb112@columbia.edu>

My recommended rewording and answers to questions in attached, overlaid on David's version

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Sent: Monday, May 03, 2010 2:05 PM
To: Andy Rodriquez
Cc: bacsdt_plus@nerc.com
Subject: Re: Draft BAL-002 DCS

Andy,

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(See attached file: Item 5 - BAL-002-1 -2010-APR-25_with_dlf_comments.doc)

Hope this is helpful,

David L. Folk
FirstEnergy Corp.
FERC Compliance Department
Consultant - Reliability
825-4668 (Internally)
330-384-4668 (externally)

Andy Rodriquez
<Andy.Rodriquez@n
erc.net>
"bacsdt_plus@nerc.com"
04/29/2010 06:08 PM
To
<bacsdt_plus@nerc.com>
cc
Subject
Draft BAL-002 DCS
Please respond to
Andy Rodriquez
<Andy.Rodriquez@n
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Per discussion today... see what you think.

Andy Rodriquez
Manager, Business Practice Coordination
North American Electric Reliability Corporation Washington, D.C. Office:
202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net<<mailto:andy.rodriquez@nerc.net>>

You are currently subscribed to bacsdt_plus as: folkd@firstenergycorp.com

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leave-1220677-186044.115e805e31e8e6a13dc2af2cf26a678f@listserv.nerc.com
[attachment "Item 5 - BAL-002-1 -2010-APR-25.doc" deleted by David L.
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To: [Andy Rodriguez](mailto:Andy_Rodriguez)
Cc: bacsdt_plus@NERC.COM
Subject: RE: Draft BAL-002 DCS
Date: Tuesday, May 04, 2010 8:33:27 AM

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From: [McIntyre, Kenneth](#)
To: ["folkd@firstenergycorp.com"](mailto:folkd@firstenergycorp.com); [Andy Rodriguez](#)
Cc: bacsd_plus@NERC.COM
Subject: RE: Draft BAL-002 DCS
Date: Tuesday, May 04, 2010 9:46:09 AM

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I have suggested more changes and added more comments to the last draft sent out. I add '_KMc' to the end of the filename.

Cheers,

Ken McIntyre
512-248-3969

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From: [McIntyre, Kenneth](#)
To: ["folkd@firstenergycorp.com"](mailto:folkd@firstenergycorp.com); [Andy Rodriguez](#)
Cc: bacsd_plus@NERC.COM
Subject: RE: Draft BAL-002 DCS
Date: Tuesday, May 04, 2010 9:46:36 AM

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From: Andy Rodriquez
To: "McIntyre, Kenneth"; "folkd@firstenergycorp.com"
Cc: bacsdt_plus@NERC.COM
Subject: RE: Draft BAL-002 DCS
Date: Tuesday, May 04, 2010 11:00:00 AM

Ken - 2 comments -

1.) I don't agree with your concerns about "ensuring" that the BA must get out of the event within 15 minutes or he fails. It does not say the BA has to plan for anything, carry any specific amount of reserves, etc... it only focuses on the outcome. The way the BA ensures this is by carrying the appropriate amount of reserves.

If you don't obligate the BA to actually perform, I'm not sure what the purpose of a DCS standard is. Saying that the BA must plan to meet DCS, but not actually saying they have to meet DCS, does not make much sense to me. If we craft the requirement correctly (put appropriate limits in place so the BA is not expected to be overly conservative), the BA should be able to ensure that he meets DCS. I don't see this as being any different from saying a BAAL violation occurs if you are outside the limit for 30 or more consecutive minutes.

2.) We should NOT be putting the definitions of reportable disturbance in the measures. FERC and Compliance consider the measures as guidance, not as part of the requirement. If you don't put the criteria in the requirement, then FERC and Compliance will be able to interpret when a disturbance starts and stops based on their own judgment. I think that is going the wrong direction. To some extent, this is what has gotten us in trouble with the NWPP interpretation - the requirement isn't clear, and NWPP is asking for an interpretation of the measures and compliance elements - which an interpretation can't really do. The interpretation can only explain, but not modify, the requirement. It is not supposed to get into measures and compliance, as that is how the standard is enforced - not what it says.

In summary, if you want to be certain of what is and is not required by the standard, you need to put it in the requirement.

Andy Rodriquez
Manager, Business Practice Coordination
North American Electric Reliability Corporation
Washington, D.C. Office: 202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net
-----Original Message-----
From: McIntyre, Kenneth [<mailto:kmcintyre@ercot.com>]
Sent: Tuesday, May 04, 2010 9:42 AM
To: 'folkd@firstenergycorp.com'; Andy Rodriquez
Cc: bacsdt_plus@NERC.COM
Subject: RE: Draft BAL-002 DCS

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Cc: ["bacsd_t_plus@NERC.COM"](mailto:bacsd_t_plus@NERC.COM)
Subject: RE: Draft BAL-002 DCS
Date: Tuesday, May 04, 2010 11:14:51 AM

I tried to improve on the definition improvements and overlaid comments in red onto the comments.

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330-384-4668 (externally)

"Robert Blohm"
<rb112@columbia.edu>
Sent by: Robert Blohm
<blohm.r@gmail.com>
To
<folkd@firstenergycorp.com>, "Andy Rodriquez"
<Andy.Rodriquez@nerc.net>
cc
<bacsdt_plus@nerc.com>
Subject
05/04/2010 01:59 AM RE: Draft BAL-002 DCS

Please respond to
"Robert Blohm"
<rb112@columbia.edu>

My recommended rewording and answers to questions in attached, overlaid on David's version

-----Original Message-----

From: folkd@firstenergycorp.com [<mailto:folkd@firstenergycorp.com>]
Sent: Monday, May 03, 2010 2:05 PM
To: Andy Rodriquez
Cc: bacsdt_plus@nerc.com
Subject: Re: Draft BAL-002 DCS

Andy,

I think we are making some progress on this standard. I have added some comments (mostly questions) for the team's consideration to the copy of your draft file attached below.

(See attached file: Item 5 - BAL-002-1 -2010-APR-25_with_dlf_comments.doc)

Hope this is helpful,

David L. Folk
FirstEnergy Corp.
FERC Compliance Department
Consultant - Reliability
825-4668 (Internally)
330-384-4668 (externally)

Andy Rodriquez
<Andy.Rodriquez@nerc.net>
To
"bacsdt_plus@nerc.com"
<bacsdt_plus@nerc.com>
04/29/2010 06:08

PM

cc

Please respond to
Andy Rodriquez
<Andy.Rodriquez@n
erc.net>

Subject
Draft BAL-002 DCS

Per discussion today... see what you think.

Andy Rodriquez
Manager, Business Practice Coordination
North American Electric Reliability Corporation Washington, D.C. Office:
202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net<<mailto:andy.rodriquez@nerc.net>>

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unsubscribe send a blank email to
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[attachment "Item 5 - BAL-002-1 -2010-APR-25.doc" deleted by David L.
Folk/FirstEnergy]

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You are currently subscribed to bacsdt_plus as: rb112@columbia.edu To unsubscribe send a blank email to leave-1221081-436910.9570d0fe381c22157d4424956a029977@listserv.nerc.com

From: [Robert Blohm](#)
To: "McIntyre, Kenneth"; folkd@firstenergycorp.com; [Andy Rodriguez](#)
Cc: ["bacsd_t_plus@NERC.COM"](mailto:bacsd_t_plus@NERC.COM)
Subject: RE: Draft BAL-002 DCS
Date: Tuesday, May 04, 2010 11:15:18 AM

I tried to improve on the definition improvements and overlaid comments in red onto the comments.

-----Original Message-----

From: McIntyre, Kenneth [<mailto:kmcintyre@ercot.com>]
Sent: Tuesday, May 04, 2010 9:42 AM
To: 'folkd@firstenergycorp.com'; 'Andy Rodriguez'
Cc: bacsd_t_plus@NERC.COM
Subject: RE: Draft BAL-002 DCS

David / Andy,

I have suggested more changes and added more comments to the last draft sent out. I add '_KMc' to the end of the filename.

Cheers,

Ken McIntyre
512-248-3969

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<Andy.Rodriquez@n
erc.net>

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Manager, Business Practice Coordination
North American Electric Reliability Corporation Washington, D.C. Office:
202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net<<mailto:andy.rodriquez@nerc.net>>

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From: Andy Rodriquez
To: ["MacDonald, Darren"](#)
Subject: RE: Draft BAL-002 DCS
Date: Tuesday, May 04, 2010 11:29:00 AM

#1 is still under discussion. I'm not sure if we talked about #2. Maybe you could ask the group what they think?

Andy Rodriquez
Manager, Business Practice Coordination
North American Electric Reliability Corporation
Washington, D.C. Office: 202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net

-----Original Message-----

From: MacDonald, Darren [<mailto:DMacDonald@GerdauAmeriSteel.com>]
Sent: Tuesday, May 04, 2010 8:04 AM
To: Andy Rodriquez
Subject: FW: Draft BAL-002 DCS

Andy, after reviewing the attached and not having participated in the discussion on loss of demand, can you clarify a couple of items for me: 1) What magnitude of "loss of demand" is considered relevant for this calculation? 2) Are these single point loads or large load pockets that might be lost due to a massive transmission or distribution failure?

Thanks for your assistance.

Darren

Darren MacDonald
Director of Energy
Gerdau Ameristeel

Phone: 905-665-3730
Fax: 905-665-3715
email: dmacdonald@gerdauameristeel.com

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-----Original Message-----

From: Robert Blohm [<mailto:blohm.r@gmail.com>] On Behalf Of Robert Blohm
Sent: Tuesday, May 04, 2010 1:59 AM
To: folkd@firstenergycorp.com; 'Andy Rodriquez'
Cc: bacsd_t_plus@nerc.com
Subject: RE: Draft BAL-002 DCS

My recommended rewording and answers to questions in attached, overlaid on David's version

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From: folkd@firstenergycorp.com [<mailto:folkd@firstenergycorp.com>]

Sent: Monday, May 03, 2010 2:05 PM

To: Andy Rodriquez

Cc: bacsdt_plus@nerc.com

Subject: Re: Draft BAL-002 DCS

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Andy Rodriquez
<Andy.Rodriquez@n
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To "bacsdt_plus@nerc.com"
04/29/2010 06:08 <bacsdt_plus@nerc.com>
PM
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Subject Please respond to Draft BAL-002 DCS
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From: [MacDonald, Darren](#)
To: [Robert Blohm](#); [McIntyre, Kenneth](#); folkd@firstenergycorp.com; [Andy Rodriquez](#)
Cc: bacsd_t_plus@NERC.COM
Subject: RE: Draft BAL-002 DCS
Date: Tuesday, May 04, 2010 1:19:34 PM

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Thanks

Darren MacDonald
Director of Energy
Gerdau Ameristeel

Phone: 905-665-3730
Fax: 905-665-3715
email: dmacdonald@gerdauameristeel.com

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-----Original Message-----

From: Robert Blohm [<mailto:blohm.r@gmail.com>] On Behalf Of Robert Blohm
Sent: Tuesday, May 04, 2010 11:14 AM
To: 'McIntyre, Kenneth'; folkd@firstenergycorp.com; 'Andy Rodriquez'
Cc: 'bacsd_t_plus@NERC.COM'
Subject: RE: Draft BAL-002 DCS

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du>

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Sent by: Robert <folkd@firstenergycorp.com>,

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m>

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Subject 05/04/2010 01:59 RE: Draft BAL-002 DCS
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From: [McIntyre, Kenneth](#)
To: [Andy Rodriguez; "folkd@firstenergycorp.com"](mailto:Andy.Rodriguez@firstenergycorp.com)
Cc: bacsd_t_plus@NERC.COM
Subject: RE: Draft BAL-002 DCS
Date: Tuesday, May 04, 2010 1:47:24 PM

Andy,

My responses again:

1)As it is currently written, the BA "SHALL ENSURE" that "no greater than 15 minutes". Therefore if Resources do not perform as planned and the 15 minutes is not met the BA is accountable. Therefore the entity registered as the BA will be held to a non-compliance violation. Even though the BA did everything in its power which includes planning the correct amount of reserves and deploying appropriately, etc. I may not have been totally clear in my comments, but I do agree that we must 'obligate' the BA to perform, but let's put the correct obligation on them, that is things that a BA actually does, has control over, and can be measured on. That is where I suggest on measuring the BA's performance based on planning for DCS, and deploying the correct amount for the Significant Loss of Supply or Demand. The BA cannot pass on the obligation to other entities, or the non-compliance violation.

This is a reliability standard, and a key part of the DCS is Primary Frequency Response, which the actual delivery performance of is dependent on the Resource themselves. Again the BA can plan for the correct amount of Primary Frequency Response to be available (amongst other Reserves), and request deployment (which for Primary Frequency Response there is no deployment from the BA rather the Resource monitors frequency changes at its AC connection and responds accordingly).

With regards to meeting the DCS, if it is not met, then the BA should review its planning criteria, its MSSLS and its Reserve(s) amounts.

My final concern with this approach is something that was brought to the attention of our drafting team last week, and that is small BA's in a multi-BA interconnect.

2) My suggestion was intended, it should EITHER be incorporated into the measures OR it should be a NERC Definition. Since we are capitalizing the terms, it should be defined. As the requirements 1.1, 1.2, 2.1 and 2.2 are written, they are not requirements on any registered entity.

Cheers,

Ken McIntyre
512-248-3969

-----Original Message-----

From: Andy Rodriguez [<mailto:Andy.Rodriguez@nerc.net>]
Sent: Tuesday, May 04, 2010 10:01 AM
To: McIntyre, Kenneth; 'folkd@firstenergycorp.com'
Cc: bacsd_t_plus@NERC.COM
Subject: RE: Draft BAL-002 DCS

Ken - 2 comments -

1.) I don't agree with your concerns about "ensuring" that the BA must get out of the event within 15 minutes or he fails. It does not say the BA has to plan for anything, carry any specific amount of reserves, etc... it only focuses on the outcome. The way the BA ensures this is by carrying the appropriate amount of reserves.

If you don't obligate the BA to actually perform, I'm not sure what the purpose of a DCS standard is. Saying that the BA must plan to meet DCS, but not actually saying they have to meet DCS, does not

make much sense to me. If we craft the requirement correctly (put appropriate limits in place so the BA is not expected to be overly conservative), the BA should be able to ensure that he meets DCS. I don't see this as being any different from saying a BAAL violation occurs if you are outside the limit for 30 or more consecutive minutes.

2.) We should NOT be putting the definitions of reportable disturbance in the measures. FERC and Compliance consider the measures as guidance, not as part of the requirement. If you don't put the criteria in the requirement, then FERC and Compliance will be able to interpret when a disturbance starts and stops based on their own judgment. I think that is going the wrong direction. To some extent, this is what has gotten us in trouble with the NWPP interpretation - the requirement isn't clear, and NWPP is asking for an interpretation of the measures and compliance elements - which an interpretation can't really do. The interpretation can only explain, but not modify, the requirement. It is not supposed to get into measures and compliance, as that is how the standard is enforced - not what it says.

In summary, if you want to be certain of what is and is not required by the standard, you need to put it in the requirement.

Andy Rodriguez
Manager, Business Practice Coordination
North American Electric Reliability Corporation
Washington, D.C. Office: 202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net
-----Original Message-----
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"Robert Blohm"
<rb112@columbia.edu>

My recommended rewording and answers to questions in attached, overlaid on David's version

-----Original Message-----

From: folkd@firstenergycorp.com [<mailto:folkd@firstenergycorp.com>]
Sent: Monday, May 03, 2010 2:05 PM
To: Andy Rodriquez
Cc: bacsdt_plus@nerc.com
Subject: Re: Draft BAL-002 DCS

Andy,

I think we are making some progress on this standard. I have added some comments (mostly questions) for the team's consideration to the copy of your draft file attached below.

(See attached file: Item 5 - BAL-002-1 -2010-APR-25_with_dlf_comments.doc)

Hope this is helpful,

David L. Folk
FirstEnergy Corp.
FERC Compliance Department

Consultant - Reliability
825-4668 (Internally)
330-384-4668 (externally)

Andy Rodriquez
<Andy.Rodriquez@n
erc.net> To
"bacsdt_plus@nerc.com"
04/29/2010 06:08 <bacsdt_plus@nerc.com>
PM cc
Subject
Please respond to Draft BAL-002 DCS
Andy Rodriquez
<Andy.Rodriquez@n
erc.net>

Per discussion today... see what you think.

Andy Rodriquez
Manager, Business Practice Coordination
North American Electric Reliability Corporation Washington, D.C. Office:
202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net<<mailto:andy.rodriquez@nerc.net>>

You are currently subscribed to bacsdt_plus as: folkd@firstenergycorp.com To unsubscribe send a blank email to leave-1220677-186044.115e805e31e8e6a13dc2af2cf26a678f@listserv.nerc.com [attachment "Item 5 - BAL-002-1 -2010-APR-25.doc" deleted by David L. Folk/FirstEnergy]

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Folk/FirstEnergy]

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From: [Andy Rodriguez](#)
To: [McIntyre, Kenneth](#)
Subject: RE: Draft BAL-002 DCS
Date: Tuesday, May 04, 2010 2:33:19 PM

I understand the fear of getting in trouble because a generator did not perform, but I think the BA has an obligation to balance, not just plan to balance. To the extent we need requirements that apply to the generator, that makes sense... And if we want to say the BA must direct generation such that if their direction was followed it would result in resolution in 15 mins, then we could try that.

Parts 1.1, 1.2, etc... do not have to be formatted as requirements, per se (i.e. With an applicable entity). We have modified this based on our processes dealing with VRFs. Today, we would treat this as one requirement with multiple parts. I would encourage not putting the criteria used to judge performance in the glossary. The key of what goes into the requirement should be what will be mandatory and enforceable. In this case, since this info is critical to define what the BA must do, I really think it should be in the requirement.

Sent from my Windows Mobile phone

-----Original Message-----

From: McIntyre, Kenneth <kmcintyre@ercot.com>
Sent: Tuesday, May 04, 2010 1:47 PM
To: Andy Rodriguez <Andy.Rodriguez@nerc.net>; 'folkd@firstenergycorp.com' <folkd@firstenergycorp.com>
Cc: bacsdt_plus@NERC.COM <bacsdt_plus@nerc.com>
Subject: RE: Draft BAL-002 DCS

Andy,

My responses again:

1)As it is currently written, the BA "SHALL ENSURE" that "no greater than 15 minutes". Therefore if Resources do not perform as planned and the 15 minutes is not met the BA is accountable. Therefore the entity registered as the BA will be held to a non-compliance violation. Even though the BA did everything in its power which includes planning the correct amount of reserves and deploying appropriately, etc. I may not have been totally clear in my comments, but I do agree that we must 'obligate' the BA to perform, but let's put the correct obligation on them, that is things that a BA actually does, has control over, and can be measured on. That is where I suggest on measuring the BA's performance based on planning for DCS, and deploying the correct amount for the Significant Loss of Supply or Demand. The BA cannot pass on the obligation to other entities, or the non-compliance violation.

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With regards to meeting the DCS, if it is not met, then the BA should review its planning criteria, its MSSLS and its Reserve(s) amounts.

My final concern with this approach is something that was brought to the attention of our drafting team last week, and that is small BA's in a multi-BA interconnect.

2) My suggestion was intended, it should EITHER be incorporated into the measures OR it should be a NERC Definition. Since we are capitalizing the terms, it should be defined. As the requirements 1.1,

1.2, 2.1 and 2.2 are written, they are not requirements on any registered entity.

Cheers,

Ken McIntyre
512-248-3969

-----Original Message-----

From: Andy Rodriquez [<mailto:Andy.Rodriquez@nerc.net>]
Sent: Tuesday, May 04, 2010 10:01 AM
To: McIntyre, Kenneth; 'folkd@firstenergycorp.com'
Cc: bacsdt_plus@NERC.COM
Subject: RE: Draft BAL-002 DCS

Ken - 2 comments -

1.) I don't agree with your concerns about "ensuring" that the BA must get out of the event within 15 minutes or he fails. It does not say the BA has to plan for anything, carry any specific amount of reserves, etc... it only focuses on the outcome. The way the BA ensures this is by carrying the appropriate amount of reserves.

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In summary, if you want to be certain of what is and is not required by the standard, you need to put it in the requirement.

Andy Rodriquez
Manager, Business Practice Coordination
North American Electric Reliability Corporation
Washington, D.C. Office: 202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net

-----Original Message-----

From: McIntyre, Kenneth [<mailto:kmcintyre@ercot.com>]
Sent: Tuesday, May 04, 2010 9:42 AM
To: 'folkd@firstenergycorp.com'; Andy Rodriquez
Cc: bacsdt_plus@NERC.COM
Subject: RE: Draft BAL-002 DCS

David / Andy,

I have suggested more changes and added more comments to the last draft sent out. I add '_KMc' to the end of the filename.

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Ken McIntyre
512-248-3969

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Sent: Tuesday, May 04, 2010 7:33 AM
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Cc: bacsdt_plus@NERC.COM
Subject: RE: Draft BAL-002 DCS

Andy,

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(See attached file: Item 5 - BAL-002-1
-2010-APR-25_with_dlf_RB_and_more_dlf_comments.doc)

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FERC Compliance Department
Consultant - Reliability
825-4668 (Internally)
330-384-4668 (externally)

"Robert Blohm"
<rb112@columbia.edu>
Sent by: Robert Blohm
<blohm.r@gmail.com>
To
<folkd@firstenergycorp.com>, "Andy Rodriquez"
<Andy.Rodriquez@nerc.net>
cc
<bacsdt_plus@nerc.com>
Subject
05/04/2010 01:59 AM RE: Draft BAL-002 DCS

Please respond to
"Robert Blohm"
<rb112@columbia.edu>

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Cc: bacsdt_plus@nerc.com

Subject: Re: Draft BAL-002 DCS

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erc.net>
04/29/2010 06:08
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To
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<bacsdt_plus@nerc.com>
cc
Please respond to
Andy Rodriquez
<Andy.Rodriquez@n
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From: folkd@firstenergycorp.com
To: [McIntyre, Kenneth](#); [Andy Rodriguez](#)
Cc: bacsdt_plus@NERC.COM
Subject: RE: Draft BAL-002 DCS
Date: Wednesday, May 05, 2010 8:31:30 AM

Andy and Ken,

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Sent: Tuesday, May 04, 2010 10:01 AM
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Cc: bacsdt_plus@NERC.COM
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Subject: RE: Draft BAL-002 DCS
Date: Wednesday, May 05, 2010 8:31:49 AM

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1)As it is currently written, the BA "SHALL ENSURE" that "no greater than 15 minutes". Therefore if Resources do not perform as planned and the 15 minutes is not met the BA is accountable. Therefore the entity registered as the BA will be held to a non-compliance violation. Even though the BA did everything in its power which includes planning the correct amount of reserves and deploying appropriately, etc. I may not have been totally clear in my comments, but I do agree that we must 'obligate' the BA to perform, but let's put the correct obligation on them, that is things that a BA actually does, has control over, and can be measured on. That is where I suggest on measuring the BA's performance based on planning for DCS, and deploying the correct amount for the Significant Loss of Supply or Demand. The BA cannot pass on the obligation to other entities, or the non-compliance violation.

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With regards to meeting the DCS, if it is not met, then the BA should review its planning criteria, its MSSLS and its Reserve(s) amounts.

My final concern with this approach is something that was brought to the attention of our drafting team last week, and that is small BA's in a multi-BA interconnect.

2) My suggestion was intended, it should EITHER be incorporated into the measures OR it should be a NERC Definition. Since we are capitalizing the terms, it should be defined. As the requirements 1.1, 1.2, 2.1 and 2.2 are written, they are not requirements on any registered entity.

Cheers,

Ken McIntyre
512-248-3969

-----Original Message-----

From: Andy Rodriguez [<mailto:Andy.Rodriguez@nerc.net>]

Sent: Tuesday, May 04, 2010 10:01 AM

To: McIntyre, Kenneth; 'folkd@firstenergycorp.com'

Cc: bacsdt_plus@NERC.COM

Subject: RE: Draft BAL-002 DCS

Ken - 2 comments -

1.) I don't agree with your concerns about "ensuring" that the BA must get

out of the event within 15 minutes or he fails. It does not say the BA has to plan for anything, carry any specific amount of reserves, etc... it only focuses on the outcome. The way the BA ensures this is by carrying the appropriate amount of reserves.

If you don't obligate the BA to actually perform, I'm not sure what the purpose of a DCS standard is. Saying that the BA must plan to meet DCS, but not actually saying they have to meet DCS, does not make much sense to me. If we craft the requirement correctly (put appropriate limits in place so the BA is not expected to be overly conservative), the BA should be able to ensure that he meets DCS. I don't see this as being any different from saying a BAAL violation occurs if you are outside the limit for 30 or more consecutive minutes.

2.) We should NOT be putting the definitions of reportable disturbance in the measures. FERC and Compliance consider the measures as guidance, not as part of the requirement. If you don't put the criteria in the requirement, then FERC and Compliance will be able to interpret when a disturbance starts and stops based on their own judgment. I think that is going the wrong direction. To some extent, this is what has gotten us in trouble with the NWPP interpretation - the requirement isn't clear, and NWPP is asking for an interpretation of the measures and compliance elements - which an interpretation can't really do. The interpretation can only explain, but not modify, the requirement. It is not supposed to get into measures and compliance, as that is how the standard is enforced - not what it says.

In summary, if you want to be certain of what is and is not required by the standard, you need to put it in the requirement.

Andy Rodriquez
Manager, Business Practice Coordination
North American Electric Reliability Corporation
Washington, D.C. Office: 202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net

-----Original Message-----

From: McIntyre, Kenneth [<mailto:kmcintyre@ercot.com>]
Sent: Tuesday, May 04, 2010 9:42 AM
To: 'folkd@firstenergycorp.com'; Andy Rodriquez
Cc: bacsdt_plus@NERC.COM
Subject: RE: Draft BAL-002 DCS

David / Andy,

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Hope this is helpful,

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FirstEnergy Corp.
FERC Compliance Department
Consultant - Reliability
825-4668 (Internally)
330-384-4668 (externally)

"Robert Blohm"
<rb112@columbia.edu>
Sent by: Robert Blohm
<blohm.r@gmail.com>
To: <folkd@firstenergycorp.com>, "Andy Rodriguez"
<Andy.Rodriguez@nerc.net>
Cc: <bacsdt_plus@nerc.com>
Subject: RE: Draft BAL-002 DCS
05/04/2010 01:59 AM

Please respond to
"Robert Blohm"
<rb112@columbia.edu>

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From: folkd@firstenergycorp.com [<mailto:folkd@firstenergycorp.com>]
Sent: Monday, May 03, 2010 2:05 PM
To: Andy Rodriguez
Cc: bacsdt_plus@nerc.com

Subject: Re: Draft BAL-002 DCS

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Andy Rodriquez
<Andy.Rodriquez@n
erc.net>
04/29/2010 06:08
PM
Subject
Draft BAL-002 DCS
Please respond to
Andy Rodriquez
<Andy.Rodriquez@n
erc.net>
To
"bacsdt_plus@nerc.com"
<bacsdt_plus@nerc.com>
cc

Per discussion today... see what you think.

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Cc: ["bacsdt_plus@NERC.COM"](mailto:bacsdt_plus@NERC.COM)
Subject: RE: Draft BAL-002 DCS
Date: Wednesday, May 05, 2010 8:39:17 AM

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185956.8ee246c4898536d2bac237a0113e7848@listserv.nerc.com

From: Andy Rodriguez
To: bacsd_t_plus@NERC.COM
Subject: Maybe an Approach to Contingency Reserves
Date: Thursday, May 06, 2010 1:04:00 PM

All – I'm working on the notes from the last meeting, and I was thinking about how we could calculate a minimum contingency reserve. This is not probabilistic, but it is simple and I think we could justify that it is a reasonable approach to the problem. Right now, I think we agreed that at a minimum, you had to have at least your own MSSC – but the question became, "how much more do you really need as a minimum?" In my mind, then, we really just need to figure out how much the Interconnection needs and then allocate it out. So here, I just chose "two largest contingencies," but maybe we could do something like we have talked about before (e.g., significant frequency deviation * Interconnection bias setting). Then distribute pro-rata based on peak load (or something similar).

The real question is: do you agree that a BA should carry reserves equal to the larger of 1.) their BA MSSC or 2.) their "fair share" of some Interconnection reserve requirement?

How to calculate Day Ahead BA Supply Contingency Reserves

Step 1 – Identify your Most Severe Single Loss of Generator Output. Use your Day Ahead load forecast, Day Ahead scheduled Interchange, and an economic dispatch model to estimate generator loading within your BA. Then group those generator loadings by contingency (e.g., multiple units at a plant if they all share a common single contingency). The grouping with the largest total loading is your MSSLGO.

Step 2 – Identify your Most Severe Single Loss of Import Capability. Use your Day Ahead schedule Interchange to identify net imports into your BA. If you are a net exporter, then your MSSLIC is zero. If a net importer, identify your total import capability on all tie-lines. Next, identify the tie-line with the largest import capability. Multiply your total net scheduled imports by the largest import capability and then divide by the total import capability. This is your MSSLIC.

Step 3 – Identify your Most Severe Single Loss of Supply. Choose the larger of your MSSLGO or your MSSLIC.

Step 4 – Post your MSSLGO for other BAs to see.

Step 5 – Identify your Interconnection Contingency Reserve Obligation. Choose the largest two MSSLGOs in the Interconnection and sum them together. Multiply by your BA annual Peak Load and divide by the Interconnection annual Peak Load. This is your ICRO.

Step 6 – Identify your contingency reserves. Choose the larger of the MSSLS or the ICRO.

This is your minimum amount of Supply Contingency Reserves.

Andy Rodriguez
Manager, Business Practice Coordination
North American Electric Reliability Corporation
Washington, D.C. Office: 202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net

From: [Washburn, Thomas E.](#)
To: [Andy Rodriguez](#)
Subject: RE: Maybe an Approach to Contingency Reserves
Date: Thursday, May 06, 2010 2:22:01 PM

For the Eastern Interconnection, "fair share" of some interconnection requirements may have deliverability issues. Also there nothing in the write-up to address reserve sharing groups for MSSC.

Tom Washburn

DISCLAIMER:

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From: Andy Rodriguez [mailto:Andy.Rodriquez@nerc.net]
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Step 1 – Identify your Most Severe Single Loss of Generator Output. Use your Day Ahead load forecast, Day Ahead scheduled Interchange, and an economic dispatch model to estimate generator loading within your BA. Then group those generator loadings by contingency (e.g., multiple units at a plant if they all share a common single contingency). The grouping with the largest total loading is your MSSLGO.

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Step 3 – Identify your Most Severe Single Loss of Supply. Choose the larger of your MSSLGO or your MSSLIC.

Step 4 – Post your MSSLGO for other BAs to see.

Step 5 – Identify your Interconnection Contingency Reserve Obligation. Choose the largest two MSSLGOs in the Interconnection and sum them together. Multiply by your BA annual Peak Load and divide by the Interconnection annual Peak Load. This is your ICRO.

Step 6 – Identify your contingency reserves. Choose the larger of the MSSLS or the ICRO. This is your minimum amount of Supply Contingency Reserves.

Andy Rodriquez
Manager, Business Practice Coordination
North American Electric Reliability Corporation
Washington, D.C. Office: 202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net

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To unsubscribe send a blank email to leave-1221387-
373592.ab7e43d4761cc89aa004541424edd70d@listserv.nerc.com

From: Andy Rodriguez
To: "[Washburn, Thomas E.](mailto:TWashburn@ouc.com)"
Subject: RE: Maybe an Approach to Contingency Reserves
Date: Thursday, May 06, 2010 2:24:00 PM

Re: deliverability, I'm not sure it matters, as long as each BA (RSG) is carrying their own reserves. They will still be on the hook for meeting BAAL, DCS, etc... so if it is not deliverable, they will fail those. Correct?

Re: RSGs, I would think this would also apply to RSGs in the same fashion. They would just have to act like a single BA for the purposes of determining reserves (everywhere it says "BA" replace with "RSG"). Would that not work?

Andy Rodriguez
Manager, Business Practice Coordination
North American Electric Reliability Corporation
Washington, D.C. Office: 202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net

From: Washburn, Thomas E. [mailto:TWashburn@ouc.com]
Sent: Thursday, May 06, 2010 2:14 PM
To: Andy Rodriguez
Subject: RE: Maybe an Approach to Contingency Reserves

For the Eastern Interconnection, "fair share" of some interconnection requirements may have deliverability issues. Also there nothing in the write-up to address reserve sharing groups for MSSC.

Tom Washburn

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From: Andy Rodriguez [mailto:Andy.Rodriquez@nerc.net]
Sent: Thu 5/6/2010 1:04 PM
To: bacsdt_plus@NERC.COM
Subject: Maybe an Approach to Contingency Reserves

All – I'm working on the notes from the last meeting, and I was thinking about how we could calculate a minimum contingency reserve. This is not probabilistic, but it is simple and I think we could justify that it is a reasonable approach to the problem. Right now, I think we agreed that at a minimum, you had to have at least your own MSSC – but the question became, "how much more do you really need as a minimum?" In my mind, then, we really just need to figure out how much the Interconnection needs and then allocate it out. So here, I just chose "two largest

contingencies,” but maybe we could do something like we have talked about before (e.g., significant frequency deviation * Interconnection bias setting). Then distribute pro-rata based on peak load (or something similar).

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373592.ab7e43d4761cc89aa004541424edd70d@listserv.nerc.com

From: [Washburn, Thomas E.](#)
To: [Andy Rodriguez](#)
Subject: RE: Maybe an Approach to Contingency Reserves
Date: Thursday, May 06, 2010 3:55:18 PM

To me it is only MSSC. "Fair share" means you are carrying some portion of the Eastern Interconnection and if that is larger than your MSSC, you are carrying that for someone else thus deliverability does matter if you are going down the "fair share" path.
Tom Washburn

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From: Andy Rodriguez [mailto:Andy.Rodriguez@nerc.net]
Sent: Thu 5/6/2010 2:24 PM
To: Washburn, Thomas E.
Subject: RE: Maybe an Approach to Contingency Reserves

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Mobile: 609-947-3885
andy.rodriquez@nerc.net

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To: bacsdt_plus@NERC.COM
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To unsubscribe send a blank email to leave-1221387-
373592.ab7e43d4761cc89aa004541424edd70d@listserv.nerc.com

From: McIntyre, Kenneth
To: ["folkd@firstenergycorp.com"](mailto:folkd@firstenergycorp.com); [Andy Rodriguez](mailto:Andy_Rodriguez)
Cc: bacsd_t_plus@NERC.COM
Subject: RE: Draft BAL-002 DCS
Date: Friday, May 07, 2010 1:02:46 PM

David,

Well said. Just to add to your comments and welcomed interference, the BA does have responsibilities and should have reliability requirements in these standards. However if as industry experts we believe other registered entities (as per the functional model) are required to perform to ensure that reliability is maintained, achieved, then let's make sure that these standards, as Reliability Standards, capture their responsibilities and make them accountable.

As a team member of developing reliability standards, I cannot accept relying on market incentives driving performance for reliability, and this potentially will establish inconsistencies amongst BA's (big and small), which can be problematic where there are multiple BA's in an interconnect. What better incentive for the correct registered entities to perform (such as Resources) than having requirements in approved Reliability Standards.

Cheers,

Ken McIntyre
512-248-3969

-----Original Message-----

From: folkd@firstenergycorp.com [<mailto:folkd@firstenergycorp.com>]
Sent: Wednesday, May 05, 2010 7:31 AM
To: McIntyre, Kenneth; 'Andy Rodriguez'
Cc: bacsd_t_plus@NERC.COM
Subject: RE: Draft BAL-002 DCS

Andy and Ken,

While I don't want to interfere in the open dialogue you have been sharing, I feel compelled to interject that I feel you are both right. Having a plan to manage disturbances is important, but it is the implementation of that plan that makes the system reliable. Perhaps the solution to the concerns expressed is to add the Generator Owner and Generator Operator to the standard with requirements to install governors and have in those governors in service on units of significant size. The NERC Policies used the following as a guide:

Governor installation. Generating units with nameplate ratings of 10 MW or greater should be equipped with governors operational for frequency response unless restricted by regulatory mandates.

At the end of the day, we must hold the right entity accountable for the part of the operation that they control. Sanctioning a BA for the actions of a GO or GOP is not necessarily the answer. However, a requirement on the BA to meet DCS, such as the one contained in the current standard, would most likely drive the industry to negotiate performance agreements that would allow the BA to monitor performance and socialize the non-compliance risk among the non-performing GOs and/or GOPs.

Hope this is helpful,

David L. Folk
FirstEnergy Corp.

FERC Compliance Department
Consultant - Reliability
825-4668 (Internally)
330-384-4668 (externally)

"McIntyre,
Kenneth"
<kmcintyre@ercot.
com>
05/04/2010 01:47
PM

To
'Andy Rodriquez'
<Andy.Rodriquez@nerc.net>,
"folkd@firstenergycorp.com"
<folkd@firstenergycorp.com>
cc
"bacsdt_plus@NERC.COM"
<bacsdt_plus@nerc.com>
Subject
RE: Draft BAL-002 DCS

Andy,

My responses again:

1)As it is currently written, the BA "SHALL ENSURE" that "no greater than 15 minutes". Therefore if Resources do not perform as planned and the 15 minutes is not met the BA is accountable. Therefore the entity registered as the BA will be held to a non-compliance violation. Even though the BA did everything in its power which includes planning the correct amount of reserves and deploying appropriately, etc. I may not have been totally clear in my comments, but I do agree that we must 'obligate' the BA to perform, but let's put the correct obligation on them, that is things that a BA actually does, has control over, and can be measured on. That is where I suggest on measuring the BA's performance based on planning for DCS, and deploying the correct amount for the Significant Loss of Supply or Demand. The BA cannot pass on the obligation to other entities, or the non-compliance violation.

This is a reliability standard, and a key part of the DCS is Primary Frequency Response, which the actual delivery performance of is dependent on the Resource themselves. Again the BA can plan for the correct amount of Primary Frequency Response to be available (amongst other Reserves), and request deployment (which for Primary Frequency Response there is no deployment from the BA rather the Resource monitors frequency changes at its AC connection and responds accordingly).

With regards to meeting the DCS, if it is not met, then the BA should review its planning criteria, its MSLS and its Reserve(s) amounts.

My final concern with this approach is something that was brought to the attention of our drafting team last week, and that is small BA's in a multi-BA interconnect.

2) My suggestion was intended, it should EITHER be incorporated into the measures OR it should be a NERC Definition. Since we are capitalizing the terms, it should be defined. As the requirements 1.1, 1.2, 2.1 and 2.2 are written, they are not requirements on any registered entity.

Cheers,

Ken McIntyre
512-248-3969

-----Original Message-----

From: Andy Rodriguez [<mailto:Andy.Rodriguez@nerc.net>]
Sent: Tuesday, May 04, 2010 10:01 AM
To: McIntyre, Kenneth; 'folkd@firstenergycorp.com'
Cc: bacsdt_plus@NERC.COM
Subject: RE: Draft BAL-002 DCS

Ken - 2 comments -

1.) I don't agree with your concerns about "ensuring" that the BA must get out of the event within 15 minutes or he fails. It does not say the BA has to plan for anything, carry any specific amount of reserves, etc... it only focuses on the outcome. The way the BA ensures this is by carrying the appropriate amount of reserves.

If you don't obligate the BA to actually perform, I'm not sure what the purpose of a DCS standard is. Saying that the BA must plan to meet DCS, but not actually saying they have to meet DCS, does not make much sense to me. If we craft the requirement correctly (put appropriate limits in place so the BA is not expected to be overly conservative), the BA should be able to ensure that he meets DCS. I don't see this as being any different from saying a BAAL violation occurs if you are outside the limit for 30 or more consecutive minutes.

2.) We should NOT be putting the definitions of reportable disturbance in the measures. FERC and Compliance consider the measures as guidance, not as part of the requirement. If you don't put the criteria in the requirement, then FERC and Compliance will be able to interpret when a disturbance starts and stops based on their own judgment. I think that is going the wrong direction. To some extent, this is what has gotten us in trouble with the NWPP interpretation - the requirement isn't clear, and NWPP is asking for an interpretation of the measures and compliance elements - which an interpretation can't really do. The interpretation can only explain, but not modify, the requirement. It is not supposed to get into measures and compliance, as that is how the standard is enforced - not what it says.

In summary, if you want to be certain of what is and is not required by the standard, you need to put it in the requirement.

Andy Rodriguez

Manager, Business Practice Coordination
North American Electric Reliability Corporation
Washington, D.C. Office: 202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net

-----Original Message-----

From: McIntyre, Kenneth [<mailto:kmcintyre@ercot.com>]
Sent: Tuesday, May 04, 2010 9:42 AM
To: 'folkd@firstenergycorp.com'; Andy Rodriquez
Cc: bacsdt_plus@NERC.COM
Subject: RE: Draft BAL-002 DCS

David / Andy,

I have suggested more changes and added more comments to the last draft sent out. I add '_KMc' to the end of the filename.

Cheers,

Ken McIntyre
512-248-3969

-----Original Message-----

From: folkd@firstenergycorp.com [<mailto:folkd@firstenergycorp.com>]
Sent: Tuesday, May 04, 2010 7:33 AM
To: 'Andy Rodriquez'
Cc: bacsdt_plus@NERC.COM
Subject: RE: Draft BAL-002 DCS

Andy,

I like the changes proposed by Robert and believe they enhance the standard. The file below contains Robert's additions along with some additional comments and thoughts. I accepted all of the changes in this document in order to preserve previously suggested wording in case my additional suggested changes were not acceptable to the group.

(See attached file: Item 5 - BAL-002-1
-2010-APR-25_with_dlf_RB_and_more_dlf_comments.doc)

Hope this is helpful,

David L. Folk
FirstEnergy Corp.
FERC Compliance Department
Consultant - Reliability
825-4668 (Internally)
330-384-4668 (externally)

"Robert Blohm"
<rb112@columbia.edu>

Sent by: Robert Blohm
<folkd@firstenergycorp.com>, "Andy Rodriquez"
<blohm.r@gmail.com> To
<Andy.Rodriquez@nerc.net>

m> cc
<bacsdt_plus@nerc.com>
Subject
05/04/2010 01:59 RE: Draft BAL-002 DCS
AM

Please respond to
"Robert Blohm"
<rb112@columbia.edu>

My recommended rewording and answers to questions in attached, overlaid on David's version

-----Original Message-----

From: folkd@firstenergycorp.com [<mailto:folkd@firstenergycorp.com>]
Sent: Monday, May 03, 2010 2:05 PM
To: Andy Rodriquez
Cc: bacsdt_plus@nerc.com
Subject: Re: Draft BAL-002 DCS

Andy,

I think we are making some progress on this standard. I have added some comments (mostly questions) for the team's consideration to the copy of your draft file attached below.

(See attached file: Item 5 - BAL-002-1 -2010-APR-25_with_dlf_comments.doc)

Hope this is helpful,

David L. Folk
FirstEnergy Corp.
FERC Compliance Department
Consultant - Reliability
825-4668 (Internally)
330-384-4668 (externally)

Andy Rodriquez
<Andy.Rodriquez@nerc.net> To
"bacsdt_plus@nerc.com"
04/29/2010 06:08 <bacsdt_plus@nerc.com>
PM cc

Subject
Please respond to Draft BAL-002 DCS
Andy Rodriquez
<Andy.Rodriquez@n

erc.net>

Per discussion today... see what you think.

Andy Rodriguez
Manager, Business Practice Coordination
North American Electric Reliability Corporation Washington, D.C. Office:
202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net<<mailto:andy.rodriquez@nerc.net>>

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[attachment "Item 5 - BAL-002-1 -2010-APR-25.doc" deleted by David L.
Folk/FirstEnergy]

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[attachment "Item 5 - BAL-002-1 -2010-APR-25_with_dlf_comments.doc" deleted
by David L. Folk/FirstEnergy]

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From: McIntyre, Kenneth
To: ["folkd@firstenergycorp.com"](mailto:folkd@firstenergycorp.com); [Andy Rodriguez](mailto:Andy_Rodriguez)
Cc: bacsd_t_plus@NERC.COM
Subject: RE: Draft BAL-002 DCS
Date: Friday, May 07, 2010 1:03:08 PM

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Consultant - Reliability
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<kmcintyre@ercot.
com>
05/04/2010 01:47
PM

To
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<Andy.Rodriquez@nerc.net>,
"folkd@firstenergycorp.com"
<folkd@firstenergycorp.com>
cc
"bacsdt_plus@NERC.COM"
<bacsdt_plus@nerc.com>
Subject
RE: Draft BAL-002 DCS

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Cheers,

Ken McIntyre
512-248-3969

-----Original Message-----

From: Andy Rodriguez [<mailto:Andy.Rodriguez@nerc.net>]
Sent: Tuesday, May 04, 2010 10:01 AM
To: McIntyre, Kenneth; 'folkd@firstenergycorp.com'
Cc: bacsdt_plus@NERC.COM
Subject: RE: Draft BAL-002 DCS

Ken - 2 comments -

1.) I don't agree with your concerns about "ensuring" that the BA must get out of the event within 15 minutes or he fails. It does not say the BA has to plan for anything, carry any specific amount of reserves, etc... it only focuses on the outcome. The way the BA ensures this is by carrying the appropriate amount of reserves.

If you don't obligate the BA to actually perform, I'm not sure what the purpose of a DCS standard is. Saying that the BA must plan to meet DCS, but not actually saying they have to meet DCS, does not make much sense to me. If we craft the requirement correctly (put appropriate limits in place so the BA is not expected to be overly conservative), the BA should be able to ensure that he meets DCS. I don't see this as being any different from saying a BAAL violation occurs if you are outside the limit for 30 or more consecutive minutes.

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In summary, if you want to be certain of what is and is not required by the standard, you need to put it in the requirement.

Andy Rodriguez

Manager, Business Practice Coordination
North American Electric Reliability Corporation
Washington, D.C. Office: 202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net

-----Original Message-----

From: McIntyre, Kenneth [<mailto:kmcintyre@ercot.com>]
Sent: Tuesday, May 04, 2010 9:42 AM
To: 'folkd@firstenergycorp.com'; Andy Rodriquez
Cc: bacsdt_plus@NERC.COM
Subject: RE: Draft BAL-002 DCS

David / Andy,

I have suggested more changes and added more comments to the last draft sent out. I add '_KMc' to the end of the filename.

Cheers,

Ken McIntyre
512-248-3969

-----Original Message-----

From: folkd@firstenergycorp.com [<mailto:folkd@firstenergycorp.com>]
Sent: Tuesday, May 04, 2010 7:33 AM
To: 'Andy Rodriquez'
Cc: bacsdt_plus@NERC.COM
Subject: RE: Draft BAL-002 DCS

Andy,

I like the changes proposed by Robert and believe they enhance the standard. The file below contains Robert's additions along with some additional comments and thoughts. I accepted all of the changes in this document in order to preserve previously suggested wording in case my additional suggested changes were not acceptable to the group.

(See attached file: Item 5 - BAL-002-1
-2010-APR-25_with_dlf_RB_and_more_dlf_comments.doc)

Hope this is helpful,

David L. Folk
FirstEnergy Corp.
FERC Compliance Department
Consultant - Reliability
825-4668 (Internally)
330-384-4668 (externally)

"Robert Blohm"
<rb112@columbia.edu>

Sent by: Robert Blohm
<blohm.r@gmail.com>

To
<folkd@firstenergycorp.com>, "Andy Rodriquez"
<Andy.Rodriquez@nerc.net>

m> cc
<bacsdt_plus@nerc.com>
Subject
05/04/2010 01:59 RE: Draft BAL-002 DCS
AM

Please respond to
"Robert Blohm"
<rb112@columbia.edu>

My recommended rewording and answers to questions in attached, overlaid on David's version

-----Original Message-----

From: folkd@firstenergycorp.com [<mailto:folkd@firstenergycorp.com>]
Sent: Monday, May 03, 2010 2:05 PM
To: Andy Rodriquez
Cc: bacsdt_plus@nerc.com
Subject: Re: Draft BAL-002 DCS

Andy,

I think we are making some progress on this standard. I have added some comments (mostly questions) for the team's consideration to the copy of your draft file attached below.

(See attached file: Item 5 - BAL-002-1 -2010-APR-25_with_dlf_comments.doc)

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David L. Folk
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FERC Compliance Department
Consultant - Reliability
825-4668 (Internally)
330-384-4668 (externally)

Andy Rodriquez
<Andy.Rodriquez@nerc.net> To
"bacsdt_plus@nerc.com"
04/29/2010 06:08 <bacsdt_plus@nerc.com>
PM cc

Subject
Please respond to Draft BAL-002 DCS
Andy Rodriquez
<Andy.Rodriquez@n

erc.net>

Per discussion today... see what you think.

Andy Rodriguez
Manager, Business Practice Coordination
North American Electric Reliability Corporation Washington, D.C. Office:
202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net<<mailto:andy.rodriquez@nerc.net>>

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To unsubscribe send a blank email to
leave-1220677-186044.115e805e31e8e6a13dc2af2cf26a678f@listserv.nerc.com
[attachment "Item 5 - BAL-002-1 -2010-APR-25.doc" deleted by David L.
Folk/FirstEnergy]

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185956.8ee246c4898536d2bac237a0113e7848@listserv.nerc.com

From: Andy Rodriquez
To: ["McIntyre, Kenneth"; "folkd@firstenergycorp.com"](mailto:McIntyre, Kenneth)
Cc: bacsd_t_plus@NERC.COM
Subject: RE: Draft BAL-002 DCS
Date: Friday, May 07, 2010 1:10:00 PM

Ken -

I am playing with a draft that requires the BA to dispatch the resources such that if the GOps (Actually, GOp and Dist Prov that are supplying reserves) follow the dispatch instructions, the loss will be "ended" in 15 mins. Then I'm looking at adding a requirement that the GOps follow the dispatch instructions. Do you Will that help fix the concern?

Andy Rodriquez
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North American Electric Reliability Corporation
Washington, D.C. Office: 202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net

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From: McIntyre, Kenneth [<mailto:kmcintyre@ercot.com>]
Sent: Friday, May 07, 2010 12:56 PM
To: 'folkd@firstenergycorp.com'; Andy Rodriquez
Cc: bacsd_t_plus@NERC.COM
Subject: RE: Draft BAL-002 DCS

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Cheers,

Ken McIntyre
512-248-3969

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From: folkd@firstenergycorp.com [<mailto:folkd@firstenergycorp.com>]
Sent: Wednesday, May 05, 2010 7:31 AM
To: McIntyre, Kenneth; 'Andy Rodriquez'
Cc: bacsd_t_plus@NERC.COM
Subject: RE: Draft BAL-002 DCS

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concerns expressed is to add the Generator Owner and Generator Operator to the standard with requirements to install governors and have in those governors in service on units of significant size. The NERC Policies used the following as a guide:

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David L. Folk
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FERC Compliance Department
Consultant - Reliability
825-4668 (Internally)
330-384-4668 (externally)

"McIntyre,
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<kmcintyre@ercot.
com> To
'Andy Rodriquez'
<Andy.Rodriquez@nerc.net>,
05/04/2010 01:47 "folkd@firstenergycorp.com"
PM <folkd@firstenergycorp.com>
cc
"bacsdt_plus@NERC.COM"
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Subject
RE: Draft BAL-002 DCS

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512-248-3969

-----Original Message-----

From: Andy Rodriquez [<mailto:Andy.Rodriquez@nerc.net>]
Sent: Tuesday, May 04, 2010 10:01 AM
To: McIntyre, Kenneth; 'folkd@firstenergycorp.com'
Cc: bacsdt_plus@NERC.COM
Subject: RE: Draft BAL-002 DCS

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Manager, Business Practice Coordination
North American Electric Reliability Corporation
Washington, D.C. Office: 202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net

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Sent: Tuesday, May 04, 2010 9:42 AM
To: 'folkd@firstenergycorp.com'; Andy Rodriquez
Cc: bacsdt_plus@NERC.COM
Subject: RE: Draft BAL-002 DCS

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Subject: RE: Draft BAL-002 DCS

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David L. Folk
FirstEnergy Corp.
FERC Compliance Department
Consultant - Reliability
825-4668 (Internally)
330-384-4668 (externally)

"Robert Blohm"
<rb112@columbia.edu>
Sent by: Robert Blohm
<blohm.r@gmail.com>
To
<folkd@firstenergycorp.com>, "Andy Rodriguez"
<Andy.Rodriquez@nerc.net>
cc
<bacsdt_plus@nerc.com>
Subject
05/04/2010 01:59 AM RE: Draft BAL-002 DCS

Please respond to
"Robert Blohm"
<rb112@columbia.edu>

My recommended rewording and answers to questions in attached, overlaid on David's version

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From: folkd@firstenergycorp.com [<mailto:folkd@firstenergycorp.com>]
Sent: Monday, May 03, 2010 2:05 PM
To: Andy Rodriguez
Cc: bacsdt_plus@nerc.com
Subject: Re: Draft BAL-002 DCS

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FirstEnergy Corp.

FERC Compliance Department
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825-4668 (Internally)
330-384-4668 (externally)

Andy Rodriquez
<Andy.Rodriquez@n
erc.net>
To
"bacsdt_plus@nerc.com"
<bacsdt_plus@nerc.com>
04/29/2010 06:08
PM
cc
Subject
Draft BAL-002 DCS
Please respond to
Andy Rodriquez
<Andy.Rodriquez@n
erc.net>

Per discussion today... see what you think.

Andy Rodriquez
Manager, Business Practice Coordination
North American Electric Reliability Corporation Washington, D.C. Office:
202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net<<mailto:andy.rodriquez@nerc.net>>

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[attachment "Item 5 - BAL-002-1 -2010-APR-25.doc" deleted by David L.
Folk/FirstEnergy]

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From: Andy Rodriquez
To: ["bacsd_t_plus@NERC.COM"](mailto:bacsd_t_plus@NERC.COM)
Subject: RE: Draft BAL-002 DCS
Date: Friday, May 07, 2010 1:45:00 PM

All,

Based on the discussion we have had, I have tried to take a different approach to this. I think this is a logical next step from where we are, but see what you think - I could be way off base. If these were to go forward, I think they together would replace BAL-002 (BAL-013 would also help with the FRR stuff). I started with the last set of comments on BAL-002 and went from there.

I have attached 3 standards

BAL-013 Primary and Secondary Control. Says that entities providing Primary or Secondary Control have to do so with acceptable resources.

BAL-014 Supply and Demand Contingency Reserves. Sets a minimum for Contingency Reserves, but gives the entity flexibility to do more.

BAL-015 Supply and Demand Contingency Reserve Performance. The new DCS we have been working on, rewritten to (hopefully) address Ken's concerns.

Please let me know if you think this has merit or if it is going off the deep end.

Andy Rodriquez
Manager, Business Practice Coordination
North American Electric Reliability Corporation
Washington, D.C. Office: 202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net

-----Original Message-----

From: Andy Rodriquez
Sent: Friday, May 07, 2010 1:11 PM
To: 'McIntyre, Kenneth'; folkd@firstenergycorp.com
Cc: bacsd_t_plus@NERC.COM
Subject: RE: Draft BAL-002 DCS

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Subject: RE: Draft BAL-002 DCS

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Cc: bacsdt_plus@NERC.COM

Subject: RE: Draft BAL-002 DCS

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In summary, if you want to be certain of what is and is not required by the standard, you need to put it in the requirement.

Andy Rodriguez
Manager, Business Practice Coordination
North American Electric Reliability Corporation
Washington, D.C. Office: 202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net

-----Original Message-----

From: McIntyre, Kenneth [<mailto:kmcintyre@ercot.com>]
Sent: Tuesday, May 04, 2010 9:42 AM
To: 'folkd@firstenergycorp.com'; Andy Rodriquez
Cc: bacsdt_plus@NERC.COM
Subject: RE: Draft BAL-002 DCS

David / Andy,

I have suggested more changes and added more comments to the last draft sent out. I add '_KMc' to the end of the filename.

Cheers,

Ken McIntyre
512-248-3969

-----Original Message-----

From: folkd@firstenergycorp.com [<mailto:folkd@firstenergycorp.com>]
Sent: Tuesday, May 04, 2010 7:33 AM
To: 'Andy Rodriquez'
Cc: bacsdt_plus@NERC.COM
Subject: RE: Draft BAL-002 DCS

Andy,

I like the changes proposed by Robert and believe they enhance the standard. The file below contains Robert's additions along with some additional comments and thoughts. I accepted all of the changes in this document in order to preserve previously suggested wording in case my additional suggested changes were not acceptable to the group.

(See attached file: Item 5 - BAL-002-1
-2010-APR-25_with_dlf_RB_and_more_dlf_comments.doc)

Hope this is helpful,

David L. Folk
FirstEnergy Corp.
FERC Compliance Department
Consultant - Reliability
825-4668 (Internally)
330-384-4668 (externally)

"Robert Blohm"
<rb112@columbia.edu>
Sent by: Robert Blohm
<blohm.r@gmail.com>
To
<folkd@firstenergycorp.com>, "Andy Rodriquez"
<Andy.Rodriquez@nerc.net>
cc
<bacsdt_plus@nerc.com>
Subject
05/04/2010 01:59 AM RE: Draft BAL-002 DCS

Please respond to
"Robert Blohm"
<rb112@columbia.edu>

My recommended rewording and answers to questions in attached, overlaid on David's version

-----Original Message-----

From: folkd@firstenergycorp.com [<mailto:folkd@firstenergycorp.com>]
Sent: Monday, May 03, 2010 2:05 PM
To: Andy Rodriquez
Cc: bacsdt_plus@nerc.com
Subject: Re: Draft BAL-002 DCS

Andy,

I think we are making some progress on this standard. I have added some comments (mostly questions) for the team's consideration to the copy of your draft file attached below.

(See attached file: Item 5 - BAL-002-1 -2010-APR-25_with_dlf_comments.doc)

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David L. Folk
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FERC Compliance Department
Consultant - Reliability
825-4668 (Internally)
330-384-4668 (externally)

Andy Rodriquez
<Andy.Rodriquez@nerc.net>
To
"bacsdt_plus@nerc.com"
<bacsdt_plus@nerc.com>
04/29/2010 06:08 PM
cc
Subject
Draft BAL-002 DCS
Please respond to
Andy Rodriquez
<Andy.Rodriquez@nerc.net>

Per discussion today... see what you think.

Andy Rodriquez
Manager, Business Practice Coordination
North American Electric Reliability Corporation Washington, D.C. Office:
202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net<<mailto:andy.rodriquez@nerc.net>>

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To unsubscribe send a blank email to
leave-1220677-186044.115e805e31e8e6a13dc2af2cf26a678f@listserv.nerc.com
[attachment "Item 5 - BAL-002-1 -2010-APR-25.doc" deleted by David L.
Folk/FirstEnergy]

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by David L. Folk/FirstEnergy]

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leave-1221081-185956.8ee246c4898536d2bac237a0113e7848@listserv.nerc.com

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To unsubscribe send a blank email to leave-1221233-
186047.41835cbbcbe4547125c37654deab264c@listserv.nerc.com

From: [McIntyre, Kenneth](#)
To: [Andy Rodriguez](#)
Subject: Re: Draft BAL-002 DCS
Date: Friday, May 07, 2010 2:16:22 PM

In my opinion that is moving the standard in the right direction.
Sent via BlackBerry by AT&T

-----Original Message-----

From: Andy Rodriguez <Andy.Rodriguez@nerc.net>
Date: Fri, 7 May 2010 12:10:35
To: McIntyre, Kenneth <kmcintyre@ercot.com>;
'folkd@firstenergycorp.com' <folkd@firstenergycorp.com>
Cc: bacsdt_plus@NERC.COM <bacsdt_plus@nerc.com>
Subject: RE: Draft BAL-002 DCS

Ken -

I am playing with a draft that requires the BA to dispatch the resources such that if the GOPs (Actually, GOP and Dist Prov that are supplying reserves) follow the dispatch instructions, the loss will be "ended" in 15 mins. Then I'm looking at adding a requirement that the GOPs follow the dispatch instructions. Do you Will that help fix the concern?

Andy Rodriguez
Manager, Business Practice Coordination
North American Electric Reliability Corporation
Washington, D.C. Office: 202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net

-----Original Message-----

From: McIntyre, Kenneth [<mailto:kmcintyre@ercot.com>]
Sent: Friday, May 07, 2010 12:56 PM
To: 'folkd@firstenergycorp.com'; Andy Rodriguez
Cc: bacsdt_plus@NERC.COM
Subject: RE: Draft BAL-002 DCS

David,

Well said. Just to add to your comments and welcomed interference, the BA does have responsibilities and should have reliability requirements in these standards. However if as industry experts we believe other registered entities (as per the functional model) are required to perform to ensure that reliability is maintained, achieved, then let's make sure that these standards, as Reliability Standards, capture their responsibilities and make them accountable.

As a team member of developing reliability standards, I cannot accept relying on market incentives driving performance for reliability, and this potentially will establish inconsistencies amongst BA's (big and small), which can be problematic where there are multiple BA's in an interconnect. What better incentive for the correct registered entities to perform (such as Resources) than having requirements in approved Reliability Standards.

Cheers,

Ken McIntyre
512-248-3969

-----Original Message-----

From: folkd@firstenergycorp.com [<mailto:folkd@firstenergycorp.com>]
Sent: Wednesday, May 05, 2010 7:31 AM

To: McIntyre, Kenneth; 'Andy Rodriquez'
Cc: bacsdt_plus@NERC.COM
Subject: RE: Draft BAL-002 DCS

Andy and Ken,

While I don't want to interfere in the open dialogue you have been sharing, I feel compelled to interject that I feel you are both right. Having a plan to manage disturbances is important, but it is the implementation of that plan that makes the system reliable. Perhaps the solution to the concerns expressed is to add the Generator Owner and Generator Operator to the standard with requirements to install governors and have in those governors in service on units of significant size. The NERC Policies used the following as a guide:

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At the end of the day, we must hold the right entity accountable for the part of the operation that they control. Sanctioning a BA for the actions of a GO or GOP is not necessarily the answer. However, a requirement on the BA to meet DCS, such as the one contained in the current standard, would most likely drive the industry to negotiate performance agreements that would allow the BA to monitor performance and socialize the non-compliance risk among the non-performing GOs and/or GOPs.

Hope this is helpful,

David L. Folk
FirstEnergy Corp.
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Consultant - Reliability
825-4668 (Internally)
330-384-4668 (externally)

"McIntyre,
Kenneth"
<kmcintyre@ercot.
com> To
'Andy Rodriquez'
<Andy.Rodriquez@nerc.net>,
05/04/2010 01:47 "'folkd@firstenergycorp.com'"
PM <folkd@firstenergycorp.com>
cc
"bacsdt_plus@NERC.COM"
<bacsdt_plus@nerc.com>
Subject
RE: Draft BAL-002 DCS

Andy,

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This is a reliability standard, and a key part of the DCS is Primary Frequency Response, which the actual delivery performance of is dependent on the Resource themselves. Again the BA can plan for the correct amount of Primary Frequency Response to be available (amongst other Reserves), and request deployment (which for Primary Frequency Response there is no deployment from the BA rather the Resource monitors frequency changes at its AC connection and responds accordingly).

With regards to meeting the DCS, if it is not met, then the BA should review its planning criteria, its MSSLS and its Reserve(s) amounts.

My final concern with this approach is something that was brought to the attention of our drafting team last week, and that is small BA's in a multi-BA interconnect.

2) My suggestion was intended, it should EITHER be incorporated into the measures OR it should be a NERC Definition. Since we are capitalizing the terms, it should be defined. As the requirements 1.1, 1.2, 2.1 and 2.2 are written, they are not requirements on any registered entity.

Cheers,

Ken McIntyre
512-248-3969

-----Original Message-----

From: Andy Rodriguez [<mailto:Andy.Rodriguez@nerc.net>]

Sent: Tuesday, May 04, 2010 10:01 AM

To: McIntyre, Kenneth; 'folkd@firstenergycorp.com'

Cc: bacsdt_plus@NERC.COM

Subject: RE: Draft BAL-002 DCS

Ken - 2 comments -

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Manager, Business Practice Coordination
North American Electric Reliability Corporation
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Mobile: 609-947-3885
andy.rodriquez@nerc.net

-----Original Message-----

From: McIntyre, Kenneth [<mailto:kmcintyre@ercot.com>]
Sent: Tuesday, May 04, 2010 9:42 AM
To: 'folkd@firstenergycorp.com'; Andy Rodriquez
Cc: bacsdt_plus@NERC.COM
Subject: RE: Draft BAL-002 DCS

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To: 'Andy Rodriquez'
Cc: bacsdt_plus@NERC.COM
Subject: RE: Draft BAL-002 DCS

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(See attached file: Item 5 - BAL-002-1
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Hope this is helpful,

David L. Folk
FirstEnergy Corp.
FERC Compliance Department
Consultant - Reliability
825-4668 (Internally)
330-384-4668 (externally)

"Robert Blohm"
<rb112@columbia.edu>
Sent by: Robert Blohm
<blohm.r@gmail.com>
To: <folkd@firstenergycorp.com>, "Andy Rodriquez"
<Andy.Rodriquez@nerc.net>
cc: <bacsdt_plus@nerc.com>
Subject: RE: Draft BAL-002 DCS
05/04/2010 01:59 AM

Please respond to
"Robert Blohm"
<rb112@columbia.edu>

My recommended rewording and answers to questions in attached, overlaid on David's version

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From: folkd@firstenergycorp.com [<mailto:folkd@firstenergycorp.com>]
Sent: Monday, May 03, 2010 2:05 PM
To: Andy Rodriquez
Cc: bacsdt_plus@nerc.com
Subject: Re: Draft BAL-002 DCS

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FirstEnergy Corp.
FERC Compliance Department
Consultant - Reliability
825-4668 (Internally)
330-384-4668 (externally)

Andy Rodriquez
<Andy.Rodriquez@n
erc.net>
04/29/2010 06:08
PM
Subject
Draft BAL-002 DCS
To
"bacsdt_plus@nerc.com"
<bacsdt_plus@nerc.com>
cc

Per discussion today... see what you think.

Andy Rodriquez
Manager, Business Practice Coordination
North American Electric Reliability Corporation Washington, D.C. Office:
202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net<<mailto:andy.rodriquez@nerc.net>>

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[attachment "Item 5 - BAL-002-1 -2010-APR-25.doc" deleted by David L.
Folk/FirstEnergy]

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You are currently subscribed to bacsdt_plus as: folkd@firstenergycorp.com To unsubscribe send a blank email to leave-1221061-186044.115e805e31e8e6a13dc2af2cf26a678f@listserv.nerc.com [attachment "Item 5 - BAL-002-1 -2010-APR-25_with_dlf_comments.doc" deleted by David L. Folk/FirstEnergy]

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From: [Kristian Ruud](#)
To: [Andy Rodriguez; bacsdt_plus@NERC.COM](#)
Subject: RE: Draft BAL-002 DCS
Date: Friday, May 07, 2010 3:23:16 PM

Thanks Andy,

A few thoughts.

BAL-014 - This seems rather overly restrictive in a couple of ways. It seems to require that every BA recalculate its contingency reserve requirements every day. While there certainly are areas that do this, it is also common for a BA to operate to the same contingency reserve requirement at all times, and theoretically would only change that if there was a new largest contingency or change in membership to its Reserve Sharing Group... but certainly not daily.

I'm also concerned that, R4 is stating that reserves must be procured prior to the Operating Day. We'd need to be sure that BA's have flexibility to reallocate reserves during the day as it unfolds. Markets like Midwest ISO are re-allocating reserves every 5 minutes... mostly as the economics change, but of course if a unit designated for reserves in the previous day trips, it needs to be replaced.

On BAL-015 and the discussion between you, Ken and Dave. I'm not convinced that for the disturbance response the standard should go beyond the Balancing Authority. What Andy has in the draft is going to make it a compliance issue for a resource that misses a Contingency Reserve deployment. If I'm a resource owner, that's going to make it less likely for me to state to my BA that my resource can provide that service. Again, thinking from the MISO perspective, it could have a chilling effect on how many of our Market Participants choose to offer their resource Spin or Supplemental Qualified. We could find ourselves with far fewer resources who are willing to admit they might have secondary control ability. The BA should know which resources are reliable enough to count on to recover ACE, and also evaluate the likelihood of a resource failing and deploy sufficient resources to ensure recovery.

Kris Ruud
Manager, Resource Integration and
Regional Operations Engineering
(651)632-8482 - office
(651)357-2316 - cell

-----Original Message-----

From: Andy Rodriguez [mailto:Andy.Rodriquez@nerc.net]
Sent: Friday, May 07, 2010 12:46 PM
To: bacsdt_plus@NERC.COM

Subject: RE: Draft BAL-002 DCS

All,

Based on the discussion we have had, I have tried to take a different approach to this. I think this is a logical next step from where we are, but see what you think - I could be way off base. If these were to go forward, I think they together would replace BAL-002 (BAL-013 would also help with the FRR stuff). I started with the last set of comments on BAL-002 and went from there.

I have attached 3 standards

BAL-013 Primary and Secondary Control. Says that entities providing Primary or Secondary Control have to do so with acceptable resources.

BAL-014 Supply and Demand Contingency Reserves. Sets a minimum for Contingency Reserves, but gives the entity flexibility to do more.

BAL-015 Supply and Demand Contingency Reserve Performance. The new DCS we have been working on, rewritten to (hopefully) address Ken's concerns.

Please let me know if you think this has merit or if it is going off the deep end.

Andy Rodriquez
Manager, Business Practice Coordination
North American Electric Reliability Corporation Washington, D.C. Office: 202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net

-----Original Message-----

From: Andy Rodriquez
Sent: Friday, May 07, 2010 1:11 PM
To: 'McIntyre, Kenneth'; 'folkd@firstenergycorp.com'
Cc: bacsdt_plus@NERC.COM
Subject: RE: Draft BAL-002 DCS

Ken -

I am playing with a draft that requires the BA to dispatch the resources such that if the GOps (Actually, GOp and Dist Prov that are supplying reserves) follow the dispatch instructions, the loss will be "ended" in 15 mins. Then I'm looking at adding a requirement that the GOps follow the dispatch instructions. Do you Will that help fix the concern?

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North American Electric Reliability Corporation Washington, D.C. Office: 202-383-2629

Mobile: 609-947-3885

andy.rodriquez@nerc.net

-----Original Message-----

From: McIntyre, Kenneth [mailto:kmcintyre@ercot.com]

Sent: Friday, May 07, 2010 12:56 PM

To: 'folkd@firstenergycorp.com'; Andy Rodriquez

Cc: bacsdt_plus@NERC.COM

Subject: RE: Draft BAL-002 DCS

David,

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Cheers,

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512-248-3969

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Cc: bacsdt_plus@NERC.COM

Subject: RE: Draft BAL-002 DCS

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Consultant - Reliability
825-4668 (Internally)
330-384-4668 (externally)

"McIntyre,
Kenneth"
<kmcintyre@ercot.
com>

05/04/2010 01:47
PM

'Andy Rodriquez'
<Andy.Rodriquez@nerc.net>,
"folkd@firstenergycorp.com"
<folkd@firstenergycorp.com>

To

cc

"bacsdt_plus@NERC.COM"
<bacsdt_plus@nerc.com>

Subject

RE: Draft BAL-002 DCS

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My responses again:

1)As it is currently written, the BA "SHALL ENSURE" that "no greater than 15 minutes". Therefore if Resources do not perform as planned and the 15 minutes is not met the BA is accountable. Therefore the entity registered as the BA will be held to a non-compliance violation. Even though the BA did everything in its power which includes planning the correct amount of reserves and deploying appropriately, etc. I may not have been totally clear in my comments, but I do agree that we must 'obligate' the BA to perform, but let's put the correct obligation on them, that is things that a BA actually does, has control over, and can be measured on. That is where I suggest on measuring the BA's performance based on planning for DCS, and deploying the correct amount for the Significant Loss of Supply or Demand. The BA cannot pass on the obligation to other entities, or the non-compliance violation.

This is a reliability standard, and a key part of the DCS is Primary Frequency Response, which the actual delivery performance of is dependent on the Resource themselves. Again the BA can plan for the correct amount of Primary Frequency Response to be available (amongst other Reserves), and request deployment (which for Primary Frequency Response there is no deployment from the BA rather the Resource monitors frequency changes at its AC connection and responds accordingly).

With regards to meeting the DCS, if it is not met, then the BA should review its planning criteria, its MSSLS and its Reserve(s) amounts.

My final concern with this approach is something that was brought to the attention of our drafting team last week, and that is small BA's in a multi-BA interconnect.

2) My suggestion was intended, it should EITHER be incorporated into the measures OR it should be a NERC Definition. Since we are capitalizing the terms, it should be defined. As the requirements 1.1, 1.2, 2.1 and 2.2 are written, they are not requirements on any registered entity.

Cheers,

Ken McIntyre
512-248-3969

-----Original Message-----

From: Andy Rodriquez [mailto:Andy.Rodriquez@nerc.net]
Sent: Tuesday, May 04, 2010 10:01 AM
To: McIntyre, Kenneth; 'folkd@firstenergycorp.com'
Cc: bacsdt_plus@NERC.COM
Subject: RE: Draft BAL-002 DCS

Ken - 2 comments -

1.) I don't agree with your concerns about "ensuring" that the BA must get

out of the event within 15 minutes or he fails. It does not say the BA has to plan for anything, carry any specific amount of reserves, etc... it only focuses on the outcome. The way the BA ensures this is by carrying the appropriate amount of reserves.

If you don't obligate the BA to actually perform, I'm not sure what the purpose of a DCS standard is. Saying that the BA must plan to meet DCS, but not actually saying they have to meet DCS, does not make much sense to me. If we craft the requirement correctly (put appropriate limits in place so the BA is not expected to be overly conservative), the BA should be able to ensure that he meets DCS. I don't see this as being any different from saying a BAAL violation occurs if you are outside the limit for 30 or more consecutive minutes.

2.) We should NOT be putting the definitions of reportable disturbance in the measures. FERC and Compliance consider the measures as guidance, not as part of the requirement. If you don't put the criteria in the requirement, then FERC and Compliance will be able to interpret when a disturbance starts and stops based on their own judgment. I think that is going the wrong direction. To some extent, this is what has gotten us in trouble with the NWPP interpretation - the requirement isn't clear, and NWPP is asking for an interpretation of the measures and compliance elements - which an interpretation can't really do. The interpretation can only explain, but not modify, the requirement. It is not supposed to get into measures and compliance, as that is how the standard is enforced - not what it says.

In summary, if you want to be certain of what is and is not required by the standard, you need to put it in the requirement.

Andy Rodriquez

Manager, Business Practice Coordination

North American Electric Reliability Corporation Washington, D.C. Office: 202-383-2629

Mobile: 609-947-3885

andy.rodriquez@nerc.net

-----Original Message-----

From: McIntyre, Kenneth [mailto:kmcintyre@ercot.com]

Sent: Tuesday, May 04, 2010 9:42 AM

To: 'folkd@firstenergycorp.com'; Andy Rodriquez

Cc: bacsdt_plus@NERC.COM

Subject: RE: Draft BAL-002 DCS

David / Andy,

I have suggested more changes and added more comments to the last draft sent out. I add '_KMc' to the end of the filename.

Cheers,

Ken McIntyre
512-248-3969

-----Original Message-----

From: folkd@firstenergycorp.com [mailto:folkd@firstenergycorp.com]
Sent: Tuesday, May 04, 2010 7:33 AM
To: 'Andy Rodriquez'
Cc: bacsdt_plus@NERC.COM
Subject: RE: Draft BAL-002 DCS

Andy,

I like the changes proposed by Robert and believe they enhance the standard. The file below contains Robert's additions along with some additional comments and thoughts. I accepted all of the changes in this document in order to preserve previously suggested wording in case my additional suggested changes were not acceptable to the group.

(See attached file: Item 5 - BAL-002-1
-2010-APR-25_with_dlf_RB_and_more_dlf_comments.doc)

Hope this is helpful,

David L. Folk
FirstEnergy Corp.
FERC Compliance Department
Consultant - Reliability
825-4668 (Internally)
330-384-4668 (externally)

"Robert Blohm"
<rb112@columbia.edu>
Sent by: Robert
Blohm
<blohm.r@gmail.com>

05/04/2010 01:59
AM

To
<folkd@firstenergycorp.com>, "'Andy
Rodriquez'"
<Andy.Rodriquez@nerc.net>
cc
<bacsdt_plus@nerc.com>

Subject
RE: Draft BAL-002 DCS

Please respond to
"Robert Blohm"
<rb112@columbia.edu>

My recommended rewording and answers to questions in attached, overlaid on David's version

-----Original Message-----

From: folkd@firstenergycorp.com [mailto:folkd@firstenergycorp.com]
Sent: Monday, May 03, 2010 2:05 PM
To: Andy Rodriquez
Cc: bacsdt_plus@nerc.com
Subject: Re: Draft BAL-002 DCS

Andy,

I think we are making some progress on this standard. I have added some comments (mostly questions) for the team's consideration to the copy of your draft file attached below.

(See attached file: Item 5 - BAL-002-1 -2010-APR-25_with_dlf_comments.doc)

Hope this is helpful,

David L. Folk
FirstEnergy Corp.
FERC Compliance Department
Consultant - Reliability
825-4668 (Internally)
330-384-4668 (externally)

Andy Rodriquez
<Andy.Rodriquez@nerc.net>

04/29/2010 06:08
PM

"bacsdt_plus@nerc.com"
<bacsdt_plus@nerc.com>

To

cc

Subject

Please respond to
Andy Rodriquez
<Andy.Rodriquez@n
erc.net>

Draft BAL-002 DCS

Per discussion today... see what you think.

Andy Rodriquez
Manager, Business Practice Coordination
North American Electric Reliability Corporation Washington, D.C. Office:
202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net<mailto:andy.rodriquez@nerc.net>

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unsubscribe send a blank email to leave-1220677-
186044.115e805e31e8e6a13dc2af2cf26a678f@listserv.nerc.com
[attachment "Item 5 - BAL-002-1 -2010-APR-25.doc" deleted by David L.
Folk/FirstEnergy]

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[attachment "Item 5 - BAL-002-1 -2010-APR-25_with_dlf_comments.doc" deleted
by David L. Folk/FirstEnergy]

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You are currently subscribed to bacsdt_plus as: andy.rodriquez@nerc.net To unsubscribe send a blank email to leave-1221081-185956.8ee246c4898536d2bac237a0113e7848@listserv.nerc.com

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From: [Kristian Ruud](#)
To: [Andy Rodriguez; bacsdt_plus@NERC.COM](mailto:bacsdt_plus@NERC.COM)
Subject: RE: Draft BAL-002 DCS
Date: Friday, May 07, 2010 3:23:43 PM

Thanks Andy,

A few thoughts.

BAL-014 - This seems rather overly restrictive in a couple of ways. It seems to require that every BA recalculate its contingency reserve requirements every day. While there certainly are areas that do this, it is also common for a BA to operate to the same contingency reserve requirement at all times, and theoretically would only change that if there was a new largest contingency or change in membership to its Reserve Sharing Group... but certainly not daily.

I'm also concerned that, R4 is stating that reserves must be procured prior to the Operating Day. We'd need to be sure that BA's have flexibility to reallocate reserves during the day as it unfolds. Markets like Midwest ISO are re-allocating reserves every 5 minutes... mostly as the economics change, but of course if a unit designated for reserves in the previous day trips, it needs to be replaced.

On BAL-015 and the discussion between you, Ken and Dave. I'm not convinced that for the disturbance response the standard should go beyond the Balancing Authority. What Andy has in the draft is going to make it a compliance issue for a resource that misses a Contingency Reserve deployment. If I'm a resource owner, that's going to make it less likely for me to state to my BA that my resource can provide that service. Again, thinking from the MISO perspective, it could have a chilling effect on how many of our Market Participants choose to offer their resource Spin or Supplemental Qualified. We could find ourselves with far fewer resources who are willing to admit they might have secondary control ability. The BA should know which resources are reliable enough to count on to recover ACE, and also evaluate the likelihood of a resource failing and deploy sufficient resources to ensure recovery.

Kris Ruud
Manager, Resource Integration and
Regional Operations Engineering
(651)632-8482 - office
(651)357-2316 - cell

-----Original Message-----

From: Andy Rodriguez [mailto:Andy.Rodriquez@nerc.net]
Sent: Friday, May 07, 2010 12:46 PM
To: bacsdt_plus@NERC.COM

Subject: RE: Draft BAL-002 DCS

All,

Based on the discussion we have had, I have tried to take a different approach to this. I think this is a logical next step from where we are, but see what you think - I could be way off base. If these were to go forward, I think they together would replace BAL-002 (BAL-013 would also help with the FRR stuff). I started with the last set of comments on BAL-002 and went from there.

I have attached 3 standards

BAL-013 Primary and Secondary Control. Says that entities providing Primary or Secondary Control have to do so with acceptable resources.

BAL-014 Supply and Demand Contingency Reserves. Sets a minimum for Contingency Reserves, but gives the entity flexibility to do more.

BAL-015 Supply and Demand Contingency Reserve Performance. The new DCS we have been working on, rewritten to (hopefully) address Ken's concerns.

Please let me know if you think this has merit or if it is going off the deep end.

Andy Rodriquez
Manager, Business Practice Coordination
North American Electric Reliability Corporation Washington, D.C. Office: 202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net

-----Original Message-----

From: Andy Rodriquez
Sent: Friday, May 07, 2010 1:11 PM
To: 'McIntyre, Kenneth'; 'folkd@firstenergycorp.com'
Cc: bacsdt_plus@NERC.COM
Subject: RE: Draft BAL-002 DCS

Ken -

I am playing with a draft that requires the BA to dispatch the resources such that if the GOps (Actually, GOp and Dist Prov that are supplying reserves) follow the dispatch instructions, the loss will be "ended" in 15 mins. Then I'm looking at adding a requirement that the GOps follow the dispatch instructions. Do you Will that help fix the concern?

Andy Rodriquez
Manager, Business Practice Coordination

North American Electric Reliability Corporation Washington, D.C. Office: 202-383-2629

Mobile: 609-947-3885

andy.rodriquez@nerc.net

-----Original Message-----

From: McIntyre, Kenneth [mailto:kmcintyre@ercot.com]

Sent: Friday, May 07, 2010 12:56 PM

To: 'folkd@firstenergycorp.com'; Andy Rodriquez

Cc: bacsdt_plus@NERC.COM

Subject: RE: Draft BAL-002 DCS

David,

Well said. Just to add to your comments and welcomed interference, the BA does have responsibilities and should have reliability requirements in these standards. However if as industry experts we believe other registered entities (as per the functional model) are required to perform to ensure that reliability is maintained, achieved, then let's make sure that these standards, as Reliability Standards, capture their responsibilities and make them accountable.

As a team member of developing reliability standards, I cannot accept relying on market incentives driving performance for reliability, and this potentially will establish inconsistencies amongst BA's (big and small), which can be problematic where there are multiple BA's in an interconnect. What better incentive for the correct registered entities to perform (such as Resources) than having requirements in approved Reliability Standards.

Cheers,

Ken McIntyre

512-248-3969

-----Original Message-----

From: folkd@firstenergycorp.com [mailto:folkd@firstenergycorp.com]

Sent: Wednesday, May 05, 2010 7:31 AM

To: McIntyre, Kenneth; 'Andy Rodriquez'

Cc: bacsdt_plus@NERC.COM

Subject: RE: Draft BAL-002 DCS

Andy and Ken,

While I don't want to interfere in the open dialogue you have been sharing, I feel compelled to interject that I feel you are both right. Having a plan to manage disturbances is important, but it is the implementation of that plan that makes the system reliable. Perhaps the solution to the concerns expressed is to add the Generator Owner and Generator Operator to the standard with requirements to install governors and have in those governors in service on units of significant size. The NERC Policies used the following as a guide:

Governor installation. Generating units with nameplate ratings of 10 MW or greater should be equipped with governors operational for frequency response unless restricted by regulatory mandates.

At the end of the day, we must hold the right entity accountable for the part of the operation that they control. Sanctioning a BA for the actions of a GO or GOP is not necessarily the answer. However, a requirement on the BA to meet DCS, such as the one contained in the current standard, would most likely drive the industry to negotiate performance agreements that would allow the BA to monitor performance and socialize the non-compliance risk among the non-performing GOs and/or GOPs.

Hope this is helpful,

David L. Folk
FirstEnergy Corp.
FERC Compliance Department
Consultant - Reliability
825-4668 (Internally)
330-384-4668 (externally)

"McIntyre,
Kenneth"
<kmcintyre@ercot.
com>

05/04/2010 01:47
PM

'Andy Rodriquez'
<Andy.Rodriquez@nerc.net>,
"folkd@firstenergycorp.com"
<folkd@firstenergycorp.com>

To

cc

"bacsdt_plus@NERC.COM"
<bacsdt_plus@nerc.com>

Subject

RE: Draft BAL-002 DCS

Andy,

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Ken McIntyre
512-248-3969

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Sent: Tuesday, May 04, 2010 10:01 AM
To: McIntyre, Kenneth; 'folkd@firstenergycorp.com'
Cc: bacsdt_plus@NERC.COM
Subject: RE: Draft BAL-002 DCS

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Andy Rodriquez
Manager, Business Practice Coordination
North American Electric Reliability Corporation Washington, D.C. Office: 202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net
-----Original Message-----
From: McIntyre, Kenneth [mailto:kmcintyre@ercot.com]
Sent: Tuesday, May 04, 2010 9:42 AM
To: 'folkd@firstenergycorp.com'; Andy Rodriquez
Cc: bacsdt_plus@NERC.COM
Subject: RE: Draft BAL-002 DCS

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Ken McIntyre
512-248-3969

-----Original Message-----

From: folkd@firstenergycorp.com [mailto:folkd@firstenergycorp.com]
Sent: Tuesday, May 04, 2010 7:33 AM
To: 'Andy Rodriquez'
Cc: bacsdt_plus@NERC.COM
Subject: RE: Draft BAL-002 DCS

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(See attached file: Item 5 - BAL-002-1
-2010-APR-25_with_dlf_RB_and_more_dlf_comments.doc)

Hope this is helpful,

David L. Folk
FirstEnergy Corp.
FERC Compliance Department
Consultant - Reliability
825-4668 (Internally)
330-384-4668 (externally)

"Robert Blohm"
<rb112@columbia.edu>
Sent by: Robert
Blohm
<blohm.r@gmail.com>

05/04/2010 01:59
AM

To
<folkd@firstenergycorp.com>, "'Andy
Rodriquez'"
<Andy.Rodriquez@nerc.net>
cc
<bacsdt_plus@nerc.com>

Subject
RE: Draft BAL-002 DCS

Please respond to
"Robert Blohm"
<rb112@columbia.edu>

My recommended rewording and answers to questions in attached, overlaid on David's version

-----Original Message-----

From: folkd@firstenergycorp.com [mailto:folkd@firstenergycorp.com]
Sent: Monday, May 03, 2010 2:05 PM
To: Andy Rodriquez
Cc: bacsdt_plus@nerc.com
Subject: Re: Draft BAL-002 DCS

Andy,

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(See attached file: Item 5 - BAL-002-1 -2010-APR-25_with_dlf_comments.doc)

Hope this is helpful,

David L. Folk
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FERC Compliance Department
Consultant - Reliability
825-4668 (Internally)
330-384-4668 (externally)

Andy Rodriquez
<Andy.Rodriquez@nerc.net>

04/29/2010 06:08
PM

"bacsdt_plus@nerc.com"
<bacsdt_plus@nerc.com>

To

cc

Subject

Please respond to
Andy Rodriquez
<Andy.Rodriquez@n
erc.net>

Draft BAL-002 DCS

Per discussion today... see what you think.

Andy Rodriquez
Manager, Business Practice Coordination
North American Electric Reliability Corporation Washington, D.C. Office:
202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net<mailto:andy.rodriquez@nerc.net>

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From: Andy Rodriguez
To: "Kristian Ruud"; bacsdt_plus@NERC.COM
Subject: RE: Draft BAL-002 DCS
Date: Friday, May 07, 2010 3:32:00 PM

Thanks Kris – good thoughts.

My thought was that a BA could use a single number, provided it was always equal to or greater than a calculated number. So maybe we can reword that to say they have to have a process that ensure that on a daily basis, they have at least X. Then, if they say “I will always carry 5,000MW of reserves, no matter what,” that would meet the requirement.

On the DA thing – I guess my thought was that the BA had to prepare with that best know information, but that would not get him off the hook for meeting the “DCS” replacement (I don’t think it would anyway – what do you think?). So I guess my thought was that it would self-police –

I’m not sure where to go on the BA vs. GO thing. Personally, I think the BA is the one that has responsibility to maintain balance. But I also remember that we had some difficulty getting generators to move where we wanted when we wanted at PJM, so I can see the concern about getting held responsible for something you have limited control over. At this point, I think we should just pick a way, post it for comment, and ask people whether they think it should be BA only or a combination of BA and resource operator. Then we should have a better feel for how the industry overall feels about it. Perhaps we can build in a variance for Market Operators or something?

Andy Rodriguez
Manager, Business Practice Coordination
North American Electric Reliability Corporation
Washington, D.C. Office: 202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net

From: Kristian Ruud [mailto:KRuud@midwestiso.org]
Sent: Friday, May 07, 2010 3:23 PM
To: Andy Rodriguez; bacsdt_plus@NERC.COM
Subject: RE: Draft BAL-002 DCS

Thanks Andy,

A few thoughts.

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Kris Ruud
Manager, Resource Integration and
Regional Operations Engineering
(651)632-8482 - office
(651)357-2316 - cell

-----Original Message-----

From: Andy Rodriquez [mailto:Andy.Rodriquez@nerc.net]
Sent: Friday, May 07, 2010 12:46 PM
To: bacsdt_plus@NERC.COM
Subject: RE: Draft BAL-002 DCS

All,

Based on the discussion we have had, I have tried to take a different approach to this. I think this is a logical next step from where we are, but see what you think - I could be way off base. If these were to go forward, I think they together would replace BAL-002 (BAL-013 would also help with the FRR stuff). I started with the last set of comments on BAL-002 and went from there.

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Please let me know if you think this has merit or if it is going off the deep end.

Andy Rodriquez
Manager, Business Practice Coordination
North American Electric Reliability Corporation Washington, D.C. Office: 202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net

-----Original Message-----

From: Andy Rodriquez
Sent: Friday, May 07, 2010 1:11 PM
To: 'McIntyre, Kenneth'; 'folkd@firstenergycorp.com'
Cc: bacsdt_plus@NERC.COM
Subject: RE: Draft BAL-002 DCS

Ken -

I am playing with a draft that requires the BA to dispatch the resources such that if the GOps (Actually, GOp and Dist Prov that are supplying reserves) follow the dispatch instructions, the loss will be "ended" in 15 mins. Then I'm looking at adding a requirement that the GOps follow the dispatch instructions. Do you Will that help fix the concern?

Andy Rodriquez
Manager, Business Practice Coordination
North American Electric Reliability Corporation Washington, D.C. Office: 202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net

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From: McIntyre, Kenneth [mailto:kmcintyre@ercot.com]
Sent: Friday, May 07, 2010 12:56 PM
To: 'folkd@firstenergycorp.com'; Andy Rodriquez
Cc: bacsdt_plus@NERC.COM
Subject: RE: Draft BAL-002 DCS

David,

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Cheers,

Ken McIntyre
512-248-3969

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From: folkd@firstenergycorp.com [mailto:folkd@firstenergycorp.com]
Sent: Wednesday, May 05, 2010 7:31 AM
To: McIntyre, Kenneth; 'Andy Rodriquez'
Cc: bacsdt_plus@NERC.COM
Subject: RE: Draft BAL-002 DCS

Andy and Ken,

While I don't want to interfere in the open dialogue you have been sharing, I feel compelled to interject that I feel you are both right. Having a plan to manage disturbances is important, but it is the implementation of that plan that makes the system reliable. Perhaps the solution to the concerns expressed is to add the Generator Owner and Generator Operator to the standard with requirements to install governors and have in those governors in service on units of significant size. The NERC Policies used the following as a guide:

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Hope this is helpful,

David L. Folk
FirstEnergy Corp.

FERC Compliance Department
Consultant - Reliability
825-4668 (Internally)
330-384-4668 (externally)

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Kenneth"
<kmcintyre@ercot.com>
05/04/2010 01:47
PM

'Andy Rodriquez'
<Andy.Rodriquez@nerc.net>,
"folkd@firstenergycorp.com"
<folkd@firstenergycorp.com>

"bacsdt_plus@NERC.COM"
<bacsdt_plus@nerc.com>

To
cc
Subject
RE: Draft BAL-002 DCS

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Frequency Response, which the actual delivery performance of is dependent on the Resource themselves. Again the BA can plan for the correct amount of Primary Frequency Response to be available (amongst other Reserves), and request deployment (which for Primary Frequency Response there is no deployment from the BA rather the Resource monitors frequency changes at its AC connection and responds accordingly).

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Cheers,

Ken McIntyre
512-248-3969

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Sent: Tuesday, May 04, 2010 10:01 AM
To: McIntyre, Kenneth; 'folkd@firstenergycorp.com'
Cc: bacsdt_plus@NERC.COM
Subject: RE: Draft BAL-002 DCS

Ken - 2 comments -

1.) I don't agree with your concerns about "ensuring" that the BA must get out of the event within 15 minutes or he fails. It does not say the BA has to plan for anything, carry any specific amount of reserves, etc... it only focuses on the outcome. The way the BA ensures this is by carrying the appropriate amount of reserves.

If you don't obligate the BA to actually perform, I'm not sure what the purpose of a DCS standard is. Saying that the BA must plan to meet DCS, but not actually saying they have to meet DCS, does not make much sense to me. If we craft the requirement correctly (put appropriate limits in place so the BA is not expected to be overly conservative), the BA should be able to ensure that he meets DCS. I don't see this as being any different from saying a BAAL violation occurs if you are outside the limit for 30 or more consecutive minutes.

2.) We should NOT be putting the definitions of reportable disturbance in the

measures. FERC and Compliance consider the measures as guidance, not as part of the requirement. If you don't put the criteria in the requirement, then FERC and Compliance will be able to interpret when a disturbance starts and stops based on their own judgment. I think that is going the wrong direction. To some extent, this is what has gotten us in trouble with the NWPP interpretation - the requirement isn't clear, and NWPP is asking for an interpretation of the measures and compliance elements - which an interpretation can't really do. The interpretation can only explain, but not modify, the requirement. It is not supposed to get into measures and compliance, as that is how the standard is enforced - not what it says.

In summary, if you want to be certain of what is and is not required by the standard, you need to put it in the requirement.

Andy Rodriquez
Manager, Business Practice Coordination
North American Electric Reliability Corporation Washington, D.C. Office: 202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net

-----Original Message-----

From: McIntyre, Kenneth [mailto:kmcintyre@ercot.com]
Sent: Tuesday, May 04, 2010 9:42 AM
To: 'folkd@firstenergycorp.com'; Andy Rodriquez
Cc: bacsdt_plus@NERC.COM
Subject: RE: Draft BAL-002 DCS

David / Andy,

I have suggested more changes and added more comments to the last draft sent out. I add '_KMc' to the end of the filename.

Cheers,

Ken McIntyre
512-248-3969

-----Original Message-----

From: folkd@firstenergycorp.com [mailto:folkd@firstenergycorp.com]
Sent: Tuesday, May 04, 2010 7:33 AM
To: 'Andy Rodriquez'
Cc: bacsdt_plus@NERC.COM
Subject: RE: Draft BAL-002 DCS

Andy,

I like the changes proposed by Robert and believe they enhance the standard.

The file below contains Robert's additions along with some additional comments and thoughts. I accepted all of the changes in this document in order to preserve previously suggested wording in case my additional suggested changes were not acceptable to the group.

(See attached file: Item 5 - BAL-002-1
-2010-APR-25_with_dlf_RB_and_more_dlf_comments.doc)

Hope this is helpful,

David L. Folk
FirstEnergy Corp.
FERC Compliance Department
Consultant - Reliability
825-4668 (Internally)
330-384-4668 (externally)

"Robert Blohm"
<rb112@columbia.edu>
Sent by: Robert Blohm
<blohm.r@gmail.com>
05/04/2010 01:59 AM

<folkd@firstenergycorp.com>, "'Andy Rodriquez'"
<Andy.Rodriquez@nerc.net>
<bacsdt_plus@nerc.com>
RE: Draft BAL-002 DCS

To
cc
Subject

Please respond to
"Robert Blohm"
<rb112@columbia.edu>

My recommended rewording and answers to questions in attached, overlaid on David's version

-----Original Message-----

From: folkd@firstenergycorp.com [mailto:folkd@firstenergycorp.com]

Sent: Monday, May 03, 2010 2:05 PM
To: Andy Rodriquez
Cc: bacsdt_plus@nerc.com
Subject: Re: Draft BAL-002 DCS

Andy,

I think we are making some progress on this standard. I have added some comments (mostly questions) for the team's consideration to the copy of your draft file attached below.

(See attached file: Item 5 - BAL-002-1 -2010-APR-25_with_dlf_comments.doc)

Hope this is helpful,

David L. Folk
FirstEnergy Corp.
FERC Compliance Department
Consultant - Reliability
825-4668 (Internally)
330-384-4668 (externally)

Andy Rodriquez
<Andy.Rodriquez@n
erc.net>

04/29/2010 06:08
PM

Please respond to
Andy Rodriquez
<Andy.Rodriquez@n
erc.net>

"bacsdt_plus@nerc.com"
<bacsdt_plus@nerc.com>

To

cc

Subject

Draft BAL-002 DCS

Per discussion today... see what you think.

Andy Rodriquez
Manager, Business Practice Coordination
North American Electric Reliability Corporation Washington, D.C. Office:
202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net<mailto:andy.rodriquez@nerc.net>

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186044.115e805e31e8e6a13dc2af2cf26a678f@listserv.nerc.com
[attachment "Item 5 - BAL-002-1 -2010-APR-25.doc" deleted by David L.
Folk/FirstEnergy]

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[attachment "Item 5 - BAL-002-1 -2010-APR-25_with_dlf_comments.doc" deleted
by David L. Folk/FirstEnergy]

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186049.18989d4a4c6010d813972e6d76b47bee@listserv.nerc.com

From: Quintin.Guy@hydro.qc.ca
To: [Andy.Rodriguez; bacsdt_plus@nerc.com](mailto:Andy.Rodriguez;bacsdt_plus@nerc.com)
Subject: RE: Draft BAL-002 DCS
Date: Monday, June 21, 2010 5:14:23 PM

Andy, Larry,

A few more thoughts,

- I am not sure whether the BAAL limit should replace DCS. I see more the BAAL limit to take care of the situations where the load would change more or quicker than expected and/or the generation (or imports) does not come in time. On the other hand, DCS events are specific in time, deserve to be analyzed, documented and archived.
- The minimum amount of Contingency Reserve that a BA has to carry should consider the number of large single contingencies inside the BA. This is really what put the Interconnection at risk.
- In order to identify the Most Severe Single Contingency (MSSC), we don't always have to evaluate the exact generation that will be provided to the system. It is easier to use the Maximum Capability of the unit(s) if their reserve is included into the Contingency Reserve. When the contingency will occur, the system will lose the actual generation of the unit(s) and their associated reserve.
- Maybe it does not happen in every BA, but at HQTE there are transmission scheduled outages that could raise the MSSC to 200% or more of its normal value. In this context, updating the MSSC every day is really required.
- I don't have a problem with holding a BA responsible for a failed DCS but there should be a mechanism that allows transferring the penalty to a Generation Owner if the generation has not been provided in a timely manner.
- I agree with Ken that a BA could not always ensure that its ACE will be corrected in 15 minutes. Besides the situation involving the responsibility of the GO, I see two other situations where it could happen. First one: If the contingency occurs during peak load when the load exceeds largely the forecast. Second one: if multiple contingencies occur. In both situations, the BA should report these events but should be able to demonstrate that it planned and activated the required amount of reserve.

Regards,

Guy Quintin
Ingénieur
Chef intérimaire – Centre de Contrôle du Réseau
Programmation et Contrôle Du Réseau
Direction CMÉ
Hydro-Québec TransÉnergie
Tel: 514-289-2211 #3150
cell: 514-793-9838

De : Andy Rodriguez [mailto:Andy.Rodriguez@nerc.net]
Envoyé : 7 mai 2010 15:33
À : Kristian Ruud; bacsdt_plus@NERC.COM
Objet : RE: Draft BAL-002 DCS

Thanks Kris – good thoughts.

My thought was that a BA could use a single number, provided it was always equal to or greater than a calculated number. So maybe we can reword that to say they have to have a process that ensure that on a daily basis, they have at least X. Then, if they say "I will always carry 5,000MW of reserves, no matter what," that would meet the requirement.

On the DA thing – I guess my thought was that the BA had to prepare with that best know information, but that would not get him off the hook for meeting the "DCS" replacement (I don't think it would anyway – what do you think?). So I guess my thought was that it would self-police –

I'm not sure where to go on the BA vs. GO thing. Personally, I think the BA is the one that has responsibility to maintain balance. But I also remember that we had some difficulty getting generators to move where we wanted when we wanted at PJM, so I can see the concern about getting held responsible for something you have limited control over. At this point, I think we should just pick a way, post it for comment, and ask people whether they think it should be BA only or a combination of BA and resource operator. Then we should have a better feel for how the industry overall feels about it. Perhaps we can build in a variance for Market Operators or something?

Andy Rodriquez
Manager, Business Practice Coordination
North American Electric Reliability Corporation
Washington, D.C. Office: 202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net

From: Kristian Ruud [mailto:KRuud@midwestiso.org]
Sent: Friday, May 07, 2010 3:23 PM
To: Andy Rodriquez; bacsdt_plus@NERC.COM
Subject: RE: Draft BAL-002 DCS

Thanks Andy,

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Cc: bacsdt_plus@NERC.COM

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David L. Folk
FirstEnergy Corp.
FERC Compliance Department
Consultant - Reliability
825-4668 (Internally)
330-384-4668 (externally)

"McIntyre,
Kenneth"
<kmcintyre@ercot.
com>

05/04/2010 01:47
PM

'Andy Rodriquez'
<Andy.Rodriquez@nerc.net>,
"folkd@firstenergycorp.com"
<folkd@firstenergycorp.com>

To

cc

"bacsdt_plus@NERC.COM"
<bacsdt_plus@nerc.com>

Subject

RE: Draft BAL-002 DCS

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512-248-3969

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If you don't obligate the BA to actually perform, I'm not sure what the purpose of a DCS standard is. Saying that the BA must plan to meet DCS, but not actually saying they have to meet DCS, does not make much sense to me. If we craft the requirement correctly (put appropriate limits in place so the BA is not expected to be overly conservative), the BA should be able to ensure that he meets DCS. I don't see this as being any different from saying a BAAL violation occurs if you are outside the limit for 30 or more consecutive minutes.

2.) We should NOT be putting the definitions of reportable disturbance in the measures. FERC and Compliance consider the measures as guidance, not as part of the requirement. If you don't put the criteria in the requirement, then FERC and Compliance will be able to interpret when a disturbance starts and stops based on their own judgment. I think that is going the wrong direction. To some extent, this is what has gotten us in trouble with the NWPP interpretation - the requirement isn't clear, and NWPP is asking for an

interpretation of the measures and compliance elements - which an interpretation can't really do. The interpretation can only explain, but not modify, the requirement. It is not supposed to get into measures and compliance, as that is how the standard is enforced - not what it says.

In summary, if you want to be certain of what is and is not required by the standard, you need to put it in the requirement.

Andy Rodriquez
Manager, Business Practice Coordination
North American Electric Reliability Corporation Washington, D.C. Office: 202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net

-----Original Message-----

From: McIntyre, Kenneth [mailto:kmcintyre@ercot.com]
Sent: Tuesday, May 04, 2010 9:42 AM
To: 'folkd@firstenergycorp.com'; Andy Rodriquez
Cc: bacsdt_plus@NERC.COM
Subject: RE: Draft BAL-002 DCS

David / Andy,

I have suggested more changes and added more comments to the last draft sent out. I add '_KMc' to the end of the filename.

Cheers,

Ken McIntyre
512-248-3969

-----Original Message-----

From: folkd@firstenergycorp.com [mailto:folkd@firstenergycorp.com]
Sent: Tuesday, May 04, 2010 7:33 AM
To: 'Andy Rodriquez'
Cc: bacsdt_plus@NERC.COM
Subject: RE: Draft BAL-002 DCS

Andy,

I like the changes proposed by Robert and believe they enhance the standard. The file below contains Robert's additions along with some additional comments and thoughts. I accepted all of the changes in this document in order to preserve previously suggested wording in case my additional suggested changes were not acceptable to the group.

(See attached file: Item 5 - BAL-002-1

-2010-APR-25_with_dlf_RB_and_more_dlf_comments.doc)

Hope this is helpful,

David L. Folk
FirstEnergy Corp.
FERC Compliance Department
Consultant - Reliability
825-4668 (Internally)
330-384-4668 (externally)

"Robert Blohm"		
<rb112@columbia.edu>		
Sent by: Robert Blohm	<folkd@firstenergycorp.com>, "'Andy Rodriquez'"	To
<blohm.r@gmail.com>	<Andy.Rodriquez@nerc.net>	
	<bacsdt_plus@nerc.com>	cc
		Subject
05/04/2010 01:59 AM	RE: Draft BAL-002 DCS	

Please respond to
"Robert Blohm"
<rb112@columbia.edu>

My recommended rewording and answers to questions in attached, overlaid on David's version

-----Original Message-----

From: folkd@firstenergycorp.com [mailto:folkd@firstenergycorp.com]
Sent: Monday, May 03, 2010 2:05 PM
To: Andy Rodriquez
Cc: bacsdt_plus@nerc.com
Subject: Re: Draft BAL-002 DCS

Andy,

I think we are making some progress on this standard. I have added some comments (mostly questions) for the team's consideration to the copy of your draft file attached below.

(See attached file: Item 5 - BAL-002-1 -2010-APR-25_with_dlf_comments.doc)

Hope this is helpful,

David L. Folk
FirstEnergy Corp.
FERC Compliance Department
Consultant - Reliability
825-4668 (Internally)
330-384-4668 (externally)

Andy Rodriquez
<Andy.Rodriquez@n
erc.net>

04/29/2010 06:08
PM

Please respond to
Andy Rodriquez
<Andy.Rodriquez@n
erc.net>

"bacsdt_plus@nerc.com"
<bacsdt_plus@nerc.com>

To

cc

Subject

Draft BAL-002 DCS

Per discussion today... see what you think.

Andy Rodriquez
Manager, Business Practice Coordination
North American Electric Reliability Corporation Washington, D.C. Office:
202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net<mailto:andy.rodriquez@nerc.net>

You are currently subscribed to bacsdt_plus as: folkd@firstenergycorp.com To unsubscribe send a blank email to leave-1220677-186044.115e805e31e8e6a13dc2af2cf26a678f@listserv.nerc.com [attachment "Item 5 - BAL-002-1 -2010-APR-25.doc" deleted by David L. Folk/FirstEnergy]

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230739.8b5c42706776aff40cd4d8aelab287eb@listserv.nerc.com

From: Quintin.Guy@hydro.qc.ca
To: [Andy.Rodriguez; bacsdt_plus@nerc.com](mailto:Andy.Rodriguez;bacsdt_plus@nerc.com)
Subject: RE: Draft BAL-002 DCS
Date: Monday, June 21, 2010 5:14:51 PM

Andy, Larry,

A few more thoughts,

- I am not sure whether the BAAL limit should replace DCS. I see more the BAAL limit to take care of the situations where the load would change more or quicker than expected and/or the generation (or imports) does not come in time. On the other hand, DCS events are specific in time, deserve to be analyzed, documented and archived.
- The minimum amount of Contingency Reserve that a BA has to carry should consider the number of large single contingencies inside the BA. This is really what put the Interconnection at risk.
- In order to identify the Most Severe Single Contingency (MSSC), we don't always have to evaluate the exact generation that will be provided to the system. It is easier to use the Maximum Capability of the unit(s) if their reserve is included into the Contingency Reserve. When the contingency will occur, the system will lose the actual generation of the unit(s) and their associated reserve.
- Maybe it does not happen in every BA, but at HQTE there are transmission scheduled outages that could raise the MSSC to 200% or more of its normal value. In this context, updating the MSSC every day is really required.
- I don't have a problem with holding a BA responsible for a failed DCS but there should be a mechanism that allows transferring the penalty to a Generation Owner if the generation has not been provided in a timely manner.
- I agree with Ken that a BA could not always ensure that its ACE will be corrected in 15 minutes. Besides the situation involving the responsibility of the GO, I see two other situations where it could happen. First one: If the contingency occurs during peak load when the load exceeds largely the forecast. Second one: if multiple contingencies occur. In both situations, the BA should report these events but should be able to demonstrate that it planned and activated the required amount of reserve.

Regards,

Guy Quintin
Ingénieur
Chef intérimaire – Centre de Contrôle du Réseau
Programmation et Contrôle Du Réseau
Direction CMÉ
Hydro-Québec TransÉnergie
Tel: 514-289-2211 #3150
cell: 514-793-9838

De : Andy Rodriguez [mailto:Andy.Rodriguez@nerc.net]
Envoyé : 7 mai 2010 15:33
À : Kristian Ruud; bacsdt_plus@NERC.COM
Objet : RE: Draft BAL-002 DCS

Thanks Kris – good thoughts.

My thought was that a BA could use a single number, provided it was always equal to or greater than a calculated number. So maybe we can reword that to say they have to have a process that ensure that on a daily basis, they have at least X. Then, if they say "I will always carry 5,000MW of reserves, no matter what," that would meet the requirement.

On the DA thing – I guess my thought was that the BA had to prepare with that best know information, but that would not get him off the hook for meeting the "DCS" replacement (I don't think it would anyway – what do you think?). So I guess my thought was that it would self-police –

I'm not sure where to go on the BA vs. GO thing. Personally, I think the BA is the one that has responsibility to maintain balance. But I also remember that we had some difficulty getting generators to move where we wanted when we wanted at PJM, so I can see the concern about getting held responsible for something you have limited control over. At this point, I think we should just pick a way, post it for comment, and ask people whether they think it should be BA only or a combination of BA and resource operator. Then we should have a better feel for how the industry overall feels about it. Perhaps we can build in a variance for Market Operators or something?

Andy Rodriquez
Manager, Business Practice Coordination
North American Electric Reliability Corporation
Washington, D.C. Office: 202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net

From: Kristian Ruud [mailto:KRuud@midwestiso.org]
Sent: Friday, May 07, 2010 3:23 PM
To: Andy Rodriquez; bacsdt_plus@NERC.COM
Subject: RE: Draft BAL-002 DCS

Thanks Andy,

A few thoughts.

BAL-014 - This seems rather overly restrictive in a couple of ways. It seems to require that every BA recalculate it contingency reserve requirements every day. While there certainly are areas that do this, it is also common for a BA to operate to the same contingency reserve requirement at all times, and theoretically would only change that if there was a new largest contingency or change in membership to it's Reserve Sharing Group... but certainly not daily.

I'm also concerned that, R4 is stating that reserves must be procured prior to the Operating Day. We'd need to be sure that BA's have flexibility to reallocate reserves during the day as it unfolds. Markets like Midwest ISO are re-allocating reserves every 5 minutes... mostly as the economics change, but of course if a unit designated for reserves in the previous day trips, it

needs to be replaced.

On BAL-015 and the discussion between you, Ken and Dave. I'm not convinced that for the disturbance response the standard should go beyond the Balancing Authority. What Andy has in the draft is going to make it a compliance issue for a resource that misses a Contingency Reserve deployment. If I'm a resource owner, that's going to make it less likely for me to state to my BA that my resource can provide that service. Again, thinking from the MISO perspective, it could have a chilling effect on how many of our Market Participants choose to offer their resource Spin or Supplemental Qualified. We could find ourselves with far fewer resources who are willing to admit they might have secondary control ability. The BA should know which resources are reliable enough to count on to recover ACE, and also evaluate the likelihood of a resource failing and deploy sufficient resources to ensure recovery.

Kris Ruud
Manager, Resource Integration and
Regional Operations Engineering
(651)632-8482 - office
(651)357-2316 - cell

-----Original Message-----

From: Andy Rodriquez [mailto:Andy.Rodriquez@nerc.net]
Sent: Friday, May 07, 2010 12:46 PM
To: bacsdt_plus@NERC.COM
Subject: RE: Draft BAL-002 DCS

All,

Based on the discussion we have had, I have tried to take a different approach to this. I think this is a logical next step from where we are, but see what you think - I could be way off base. If these were to go forward, I think they together would replace BAL-002 (BAL-013 would also help with the FRR stuff). I started with the last set of comments on BAL-002 and went from there.

I have attached 3 standards

BAL-013 Primary and Secondary Control. Says that entities providing Primary or Secondary Control have to do so with acceptable resources.

BAL-014 Supply and Demand Contingency Reserves. Sets a minimum for Contingency Reserves, but gives the entity flexibility to do more.

BAL-015 Supply and Demand Contingency Reserve Performance. The new DCS we have been working on, rewritten to (hopefully) address Ken's concerns.

Please let me know if you think this has merit or if it is going off the deep end.

Andy Rodriquez
Manager, Business Practice Coordination
North American Electric Reliability Corporation Washington, D.C. Office: 202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net

-----Original Message-----

From: Andy Rodriquez
Sent: Friday, May 07, 2010 1:11 PM
To: 'McIntyre, Kenneth'; 'folkd@firstenergycorp.com'
Cc: bacsdt_plus@NERC.COM
Subject: RE: Draft BAL-002 DCS

Ken -

I am playing with a draft that requires the BA to dispatch the resources such that if the GOps (Actually, GOp and Dist Prov that are supplying reserves) follow the dispatch instructions, the loss will be "ended" in 15 mins. Then I'm looking at adding a requirement that the GOps follow the dispatch instructions. Do you Will that help fix the concern?

Andy Rodriquez
Manager, Business Practice Coordination
North American Electric Reliability Corporation Washington, D.C. Office: 202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net

-----Original Message-----

From: McIntyre, Kenneth [mailto:kmcintyre@ercot.com]
Sent: Friday, May 07, 2010 12:56 PM
To: 'folkd@firstenergycorp.com'; Andy Rodriquez
Cc: bacsdt_plus@NERC.COM
Subject: RE: Draft BAL-002 DCS

David,

Well said. Just to add to your comments and welcomed interference, the BA does have responsibilities and should have reliability requirements in these standards. However if as industry experts we believe other registered entities (as per the functional model) are required to perform to ensure that reliability is maintained, achieved, then let's make sure that these standards, as Reliability Standards, capture their responsibilities and make them accountable.

As a team member of developing reliability standards, I cannot accept relying

on market incentives driving performance for reliability, and this potentially will establish inconsistencies amongst BA's (big and small), which can be problematic where there are multiple BA's in an interconnect. What better incentive for the correct registered entities to perform (such as Resources) than having requirements in approved Reliability Standards.

Cheers,

Ken McIntyre
512-248-3969

-----Original Message-----

From: folkd@firstenergycorp.com [mailto:folkd@firstenergycorp.com]

Sent: Wednesday, May 05, 2010 7:31 AM

To: McIntyre, Kenneth; 'Andy Rodriguez'

Cc: bacsdt_plus@NERC.COM

Subject: RE: Draft BAL-002 DCS

Andy and Ken,

While I don't want to interfere in the open dialogue you have been sharing, I feel compelled to interject that I feel you are both right. Having a plan to manage disturbances is important, but it is the implementation of that plan that makes the system reliable. Perhaps the solution to the concerns expressed is to add the Generator Owner and Generator Operator to the standard with requirements to install governors and have in those governors in service on units of significant size. The NERC Policies used the following as a guide:

Governor installation. Generating units with nameplate ratings of 10 MW or greater should be equipped with governors operational for frequency response unless restricted by regulatory mandates.

At the end of the day, we must hold the right entity accountable for the part of the operation that they control. Sanctioning a BA for the actions of a GO or GOP is not necessarily the answer. However, a requirement on the BA to meet DCS, such as the one contained in the current standard, would most likely drive the industry to negotiate performance agreements that would allow the BA to monitor performance and socialize the non-compliance risk among the non-performing GOs and/or GOPs.

Hope this is helpful,

David L. Folk
FirstEnergy Corp.
FERC Compliance Department
Consultant - Reliability
825-4668 (Internally)
330-384-4668 (externally)

"McIntyre,
Kenneth"
<kmcintyre@ercot.
com>

05/04/2010 01:47
PM

'Andy Rodriquez'
<Andy.Rodriquez@nerc.net>,
"folkd@firstenergycorp.com"
<folkd@firstenergycorp.com>

To

cc

"bacsdt_plus@NERC.COM"
<bacsdt_plus@nerc.com>

Subject

RE: Draft BAL-002 DCS

Andy,

My responses again:

1)As it is currently written, the BA "SHALL ENSURE" that "no greater than 15 minutes". Therefore if Resources do not perform as planned and the 15 minutes is not met the BA is accountable. Therefore the entity registered as the BA will be held to a non-compliance violation. Even though the BA did everything in its power which includes planning the correct amount of reserves and deploying appropriately, etc. I may not have been totally clear in my comments, but I do agree that we must 'obligate' the BA to perform, but let's put the correct obligation on them, that is things that a BA actually does, has control over, and can be measured on. That is where I suggest on measuring the BA's performance based on planning for DCS, and deploying the correct amount for the Significant Loss of Supply or Demand. The BA cannot pass on the obligation to other entities, or the non-compliance violation.

This is a reliability standard, and a key part of the DCS is Primary Frequency Response, which the actual delivery performance of is dependent on the Resource themselves. Again the BA can plan for the correct amount of Primary Frequency Response to be available (amongst other Reserves), and request deployment (which for Primary Frequency Response there is no deployment from the BA rather the Resource monitors frequency changes at its AC connection and responds accordingly).

With regards to meeting the DCS, if it is not met, then the BA should review its planning criteria, its MSSLS and its Reserve(s) amounts.

My final concern with this approach is something that was brought to the attention of our drafting team last week, and that is small BA's in a multi-BA interconnect.

2) My suggestion was intended, it should EITHER be incorporated into the measures OR it should be a NERC Definition. Since we are capitalizing the terms, it should be defined. As the requirements 1.1, 1.2, 2.1 and 2.2 are written, they are not requirements on any registered entity.

Cheers,

Ken McIntyre
512-248-3969

-----Original Message-----

From: Andy Rodriquez [mailto:Andy.Rodriquez@nerc.net]
Sent: Tuesday, May 04, 2010 10:01 AM
To: McIntyre, Kenneth; 'folkd@firstenergycorp.com'
Cc: bacsdt_plus@NERC.COM
Subject: RE: Draft BAL-002 DCS

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Andy Rodriquez
Manager, Business Practice Coordination
North American Electric Reliability Corporation Washington, D.C. Office: 202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net

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Sent: Tuesday, May 04, 2010 9:42 AM
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Cheers,

Ken McIntyre
512-248-3969

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Cc: bacsdt_plus@NERC.COM
Subject: RE: Draft BAL-002 DCS

Andy,

I like the changes proposed by Robert and believe they enhance the standard. The file below contains Robert's additions along with some additional comments and thoughts. I accepted all of the changes in this document in order to preserve previously suggested wording in case my additional suggested changes were not acceptable to the group.

(See attached file: Item 5 - BAL-002-1

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Hope this is helpful,

David L. Folk
FirstEnergy Corp.
FERC Compliance Department
Consultant - Reliability
825-4668 (Internally)
330-384-4668 (externally)

"Robert Blohm"		
<rb112@columbia.edu>		
Sent by: Robert Blohm	<folkd@firstenergycorp.com>, "'Andy Rodriquez'"	To
<blohm.r@gmail.com>	<Andy.Rodriquez@nerc.net>	
	<bacsdt_plus@nerc.com>	cc
		Subject
05/04/2010 01:59 AM	RE: Draft BAL-002 DCS	

Please respond to
"Robert Blohm"
<rb112@columbia.edu>

My recommended rewording and answers to questions in attached, overlaid on David's version

-----Original Message-----

From: folkd@firstenergycorp.com [mailto:folkd@firstenergycorp.com]
Sent: Monday, May 03, 2010 2:05 PM
To: Andy Rodriquez
Cc: bacsdt_plus@nerc.com
Subject: Re: Draft BAL-002 DCS

Andy,

I think we are making some progress on this standard. I have added some comments (mostly questions) for the team's consideration to the copy of your draft file attached below.

(See attached file: Item 5 - BAL-002-1 -2010-APR-25_with_dlf_comments.doc)

Hope this is helpful,

David L. Folk
FirstEnergy Corp.
FERC Compliance Department
Consultant - Reliability
825-4668 (Internally)
330-384-4668 (externally)

Andy Rodriquez
<Andy.Rodriquez@n
erc.net>

04/29/2010 06:08
PM

Please respond to
Andy Rodriquez
<Andy.Rodriquez@n
erc.net>

"bacsdt_plus@nerc.com"
<bacsdt_plus@nerc.com>

To

cc

Subject

Draft BAL-002 DCS

Per discussion today... see what you think.

Andy Rodriquez
Manager, Business Practice Coordination
North American Electric Reliability Corporation Washington, D.C. Office:
202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net<mailto:andy.rodriquez@nerc.net>

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You are currently subscribed to bacsdt_plus as: andy.rodriquez@nerc.net
To unsubscribe send a blank email to leave-1225815-
185956.8ee246c4898536d2bac237a0113e7848@listserv.nerc.com

From: [Akens, Larry G](#)
To: [Andy Rodriguez](#)
Subject: Request from WECC for BAL-002
Date: Wednesday, July 28, 2010 9:29:19 AM

Do you recall we participated in an interpretation of BAL-002 for the WECC (Jerry Rust). Basically they were looking for our concurrence that they did not have to carry reserves greater than their MSSC. I am in an RS meeting and need to status this interpretation.

Can you tell me where this interpretation stands?

Larry G. Akens
Tennessee Valley Authority
423 751-8860

From: [Andy Rodriguez](#)
To: [Akens, Larry G](#)
Subject: RE: Request from WECC for BAL-002
Date: Wednesday, July 28, 2010 9:46:00 AM

We put the Interpretation out for ballot, and it did not receive support. At that time, our Board was also considering the prioritization of Interpretations relative to improvements to the standard, and they directed that Interpretations should a.) be based solely on the language in the requirements, and b.) that if a request for interpretation would be better addressed by making changes to the standard, then we should spend our efforts on fixing the standard rather than the interpretation.

So given those two instructions, I think it ended up that we could not move forward with the interpretation – the language in question is part of the compliance section, not the requirements, and the Board seems unlikely approve any interpretation that goes beyond what is in the requirements themselves. FERC would likely not approve either, for similar reasons. The only remaining way to address their problem is to fix the standard and rewrite the requirements to eliminate ambiguity. Accordingly, one of the reasons the BACSDT is trying to draft the new DCS and the Contingency Reserves standard (BAL-014 & -015) is to address this issue with clear, explicit requirements.

Andy Rodriguez
Manager, Business Practice Coordination
North American Electric Reliability Corporation
Washington, D.C. Office: 202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net

From: Akens, Larry G [mailto:lgakens@tva.gov]
Sent: Wednesday, July 28, 2010 9:29 AM
To: Andy Rodriguez
Subject: Request from WECC for BAL-002

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Can you tell me where this interpretation stands?

Larry G. Akens
Tennessee Valley Authority
423 751-8860

From: [Andy Rodriguez](#)
To: ["Don.Badley@nwpp.org"](mailto:Don.Badley@nwpp.org)
Cc: [Herb Schrayshuen](#); [Maureen Long](#); [David Taylor](#)
Bcc: [David Cook](#); [Holly Hawkins](#); [David Hilt](#)
Subject: Follow Up
Date: Wednesday, August 04, 2010 9:14:00 AM

Don –

I'm sorry I have not gotten back to you yet to choose a time when we can discuss your RFI for BAL-002. I understand this is an important issue, and I wish I could offer you a quick and simple resolution. However, the issue is also somewhat complex, and we need to have some senior-level discussions here before we can start a dialogue on how to resolve the questions you have raised. I will follow up with you next week to give you an update on where things stand.

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Mobile: 609-947-3885
andy.rodriquez@nerc.net

From: [Don Badley](#)
To: [Andy Rodriguez](#)
Cc: [Jerry Rust](#)
Subject: Re: Follow Up
Date: Wednesday, August 04, 2010 9:26:55 AM

Maybe you are mis-interpreting the problem. It is really quite simple.

don

Northwest Power Pool
Office: 503-445-1076
Cell: 503-819-4517
E-mail: don@nwpp.org

>>> Andy Rodriguez <Andy.Rodriguez@nerc.net> 8/4/2010 6:14 AM >>>

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andy.rodriquez@nerc.net

From: [Andy Rodriguez](#)
To: ["Don.Badley@nwpp.org"](mailto:Don.Badley@nwpp.org)
Cc: [Akens, Larry G](#)
Subject: FW: Follow Up
Date: Wednesday, August 04, 2010 9:45:00 AM

Don,

I hope you are right about this being simple. I think I understand your concerns.

Have you see the work that the BACS DT was doing before it was merged with the RBCS DT? I'm not sure if this would help or not, and it is still in draft, but I believe the team is still going to be working to improve the quality of the DCS standard, which might help address some of your concerns. Attached is a copy of the latest draft (tentatively called BAL-015, with the belief that it would replace BAL-002). Edd Dobrowolski is taking over this work, but I'm sure he and Larry would be interested in your thoughts.

Andy Rodriguez
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North American Electric Reliability Corporation
Washington, D.C. Office: 202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net

From: Don Badley [mailto:Don.Badley@nwpp.org]
Sent: Wednesday, August 04, 2010 9:29 AM
To: Andy Rodriguez
Cc: Jerry Rust
Subject: Re: Follow Up

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North American Electric Reliability Corporation
Washington, D.C. Office: 202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net

From: [Andy Rodriguez](#)
To: [Don Badley](#)
Cc: [Jerry Rust](#)
Subject: RE: Follow Up
Date: Monday, August 09, 2010 8:22:00 AM

Don –

We discussed this last week, and determined that the best approach is for us to move this forward through the Standards Committee. I'm not sure if it is going to make it onto this week's agenda or not, but we will do our best.

Meanwhile, did you have a chance to review the draft of the new standard I sent to you?

Andy Rodriguez
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North American Electric Reliability Corporation
Washington, D.C. Office: 202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net

From: Don Badley [mailto:Don.Badley@nwpp.org]
Sent: Wednesday, August 04, 2010 9:29 AM
To: Andy Rodriguez
Cc: Jerry Rust
Subject: Re: Follow Up

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E-mail: don@nwpp.org

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Washington, D.C. Office: 202-383-2629
Mobile: 609-947-3885
andy.rodriquez@nerc.net

From: [Don Badley](#)
To: [Andy Rodriguez](#)
Cc: [Jerry Rust](#)
Subject: RE: Follow Up
Date: Monday, August 09, 2010 11:36:00 AM

Andy,

I did review draft. I have just a couple of comments: 1) If you are going to address loss of demand, I suggest you create a separate standard for it, and 2) the 60-second criterion should be shortened to less than 30 seconds, otherwise it is difficult to identify a point of embarkation for compliance.

I don't know the makeup of the drafting team; however, our CEO, Jerry Rust (who is also a NERC OC member) would like to become a team member. Jerry would be a great asset. He knows the purpose of BAL-002, teaches on the subject and is actively involved in the monitoring and reporting processes for the NWPP Reserve Sharing Group.

don

>>> Andy Rodriguez <Andy.Rodriquez@nerc.net> 8/9/2010 5:22 AM >>>

Don -

We discussed this last week, and determined that the best approach is for us to move this forward through the Standards Committee. I'm not sure if it is going to make it onto this week's agenda or not, but we will do our best.

Meanwhile, did you have a chance to review the draft of the new standard I sent to you?

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Recommendation for Final Disposition of Project 2009-19 Interpretation of BAL-002-0 R4 and R5 by Northwest Power Pool Reserve Sharing Group

The Northwest Power Pool Reserve Sharing Group requested clarification of BAL-002 in some specific areas related to compliance:

- The first question asked if any Disturbance, irrespective of cause, that exceeded the most severe single contingency should be excluded from compliance evaluation.
- The second question asked for clarity on how to apply this exclusion in cases of simultaneous or non-simultaneous multiple contingencies affecting a Reserve Sharing Group.
- The final question asked for a definition of the phrase “excluded from compliance.”

All three of these questions are related to language contained in Section D1.4, Additional Compliance Information.

- An interpretation drafting team, working with NERC staff, developed a response to the interpretation. The response to the first question reviewed the cases, as described in section D1.4, during which an exclusion is allowed, and noted that the Additional Compliance Information did not apply exclusions “irrespective of cause” as posited by the requestor.
- The response to the second question explained how to apply the information related to the previous answer specific to reserve sharing groups.
- The response to the third question reviewed what was required in the standard and also indicated that the Compliance Enforcement Authority considers many factors when making a determination of whether an entity is compliant – and the interpretation process cannot be used to determine whether an entity’s performance is compliant.

Balloting of the interpretation met the quorum requirements with 89.83%, but only 48.60% approval. Review of the comments indicated that many entities desired more detail and additional clarification of the measures and compliance portions of the standard.

During the development of the interpretation, the NERC Board of Trustees developed and passed a resolution regarding interpretations, which stated in part:

In deciding whether or not to approve a proposed interpretation, the board will use a standard of strict construction and not seek to expand the reach of the standard to correct a perceived gap or deficiency in the standard;

It is the expectation of the board that when work on an interpretation reveals a gap or deficiency in a reliability standard, stakeholders will take prompt action to address the gap or deficiency in the standard and that the time and effort expended on the interpretation should be a relatively small proportion of the time and effort expended on addressing the gap or deficiency;

The drafting team does not believe that further clarification can be made without making modifications to the language of the standard. Accordingly, and consistent with the board’s resolutions, NERC staff recommends that the issues raised in the interpretation be addressed in the work already underway to modify BAL-002 in Project 2010-14 – Balancing Authority Reliability-Based Control.

Approved Meeting Minutes Standards Committee

Thursday, September 9, 2010 | 1–4 p.m. Eastern

Administrative

A conference call meeting of the Standards Committee was held on Thursday, September 9, 2010 from 1 p.m.–5 p.m. The agenda, attendance list, and meeting announcement are affixed as **Exhibits A, B, and C** respectively.

Introductions and Quorum

Standards Committee Chair Allen Mosher led the introduction of committee members and determined there was a quorum.

NERC Antitrust Compliance Guidelines

Maureen Long reviewed the NERC Antitrust Compliance Guidelines.

Agenda

Ben Li motioned to approve the agenda with a proposed modification to 4ai and deletion of items 4aii and 4aiii.

- *The motion was approved without objection and one abstention, Frank McElvain.*

Consent Agenda

Linda Campbell motioned to approve/ratify the following items from the consent agenda:

- August 12, 2010 Standards Committee Meeting Minutes (with typographical error on page 3 changing “NERC” to “FERC” corrected)
- August 16, 2010 Executive Committee Meeting Minutes
- Project 2008-01 — Voltage and Reactive Planning and Control Standard Drafting Team
 - Accept the resignation of Laurie Williams and appoint Hari Singh of Xcel Energy
- *The motion was approved without objection or abstention.*

Status of High Priority Projects

David Taylor provided an overview of the status of high priority projects, with a particular emphasis on those high priority teams that are behind schedule.

Reliability Standards Development Plan — Project Update

David Taylor provided an update on the Reliability Standard Development Plan 2011-2013. The plan is posted for comment through September 16, 2010 and David encouraged Standards Committee members and observers to submit comments or to contact him directly to discuss aspects of the plan. The update is on schedule for approval during the November 2010 Board of Trustees meeting.

Standing Committee Support for the Reliability Standards Development Plan

David Taylor has been actively seeking involvement from the Standing Committees and NERC's program areas in refining the Reliability Standards Development Plan 2011-2013. In response, the chair of the Planning Committee, Tom Burgess, submitted a letter outlining the types of assistance that the Standing Committees could provide and the information the Standing Committees need from the Standards Committee.

Standards Actions

Project 2007-17 - Protection System Maintenance and Testing – Post Revised Definition for Parallel Comment and Successive Ballot

The drafting team asked for approval to proceed to a recirculation ballot without carrying forward the votes and comments from the prior ballot. The Standards Committee indicated that explaining this process to stakeholders would be necessary but confusing and directed the team to post its definition for a 30-day comment period with a successive ballot during the last 10 days of the 30-day comment period. This process will allow the team to conduct the next ballot without carrying forward the votes and comments that appear to be invalid.

Project 2010-13 – Relay Loadability Order – Request for Process Deviation

Michael Gildea motioned to accept staff's recommendation that the application test for inclusion in the proposed modifications to PRC-023 be posted for a 20-day informal comment period to provide critical feedback on the applicability test before developing the final draft of the standard.

- *The motion was approved with one opposed (Linda Campbell) and 5 abstentions (Ben Li, Alice Murdock, Jason Marshall, Raj Rana, and Steve Rueckert)*

Project 2010-13 – Relay Loadability Order – Direct Staff to Solicit Nominations for a Standard Drafting Team

Raj Rana motioned to direct staff to solicit nominations for a standard drafting team to develop a generator loadability standard to meet FERC directives from Order 733.

- *The motion was approved without objection or abstention.*

Coordination

NERC Board of Trustees Activities Relative to Standards — H. Schrayshuen

Herbert Schrayshuen reported that there is an effort underway to develop a proposal outlining how the board can be most usefully engaged with Standards Committee activities.

Allen Mosher will form a small team of members of the Standards Committee's Executive Committee and other Standards Committee members who routinely participate in board meetings to work with Herb Schrayshuen, Tom Galloway and David Cook with a goal of having a proposal ready for review during the October, 2010 Standards Committee meeting.

Other Items

Standard Process Diagram

David Taylor reviewed a process diagram that shows a timeline with the steps in developing a standard under the proposed standard development process. This is the default schedule that drafting teams will be asked to follow when the new manual is approved for use. David asked the Standards Committee to consider presenting this process diagram during the October 12, 2010 workshop with the leadership of drafting teams.

Action Plan for Resolving Outstanding Interpretations

The standards staff presented a proposal to begin working on the backlog of interpretations. The Standards Committee's Executive Committee agreed to work with the standards staff in developing a prioritization process that can be applied to this backlog, with a report to the Standards Committee for review during its October 13-14, 2010 meeting.

FMPP Interpretation Update

The Standards Committee reviewed the letter from FMPP asking to have its interpretations completed. The Standards Committee directed staff to include the FMPP interpretations in its proposal for prioritizing the backlog of outstanding interpretations.

NWPP Interpretation Update

Jason Marshall motioned to ask the Interpretation Drafting Team to review its work and reconsider additional input from the Resources Subcommittee chair in assessing the feasibility of drafting an interpretation to address the Northwest Power Pool Request for an Interpretation and provide a report to the Standards Committee for review during its October 13-14, 2010 meeting.

– *The motion was tabled.*

The Standards Committee asked that Terry Bilke consult with the Interpretation Drafting team and provide a report for the Standards Committee to review during its October 13-14, 2010 meeting.

ISO/RTO Interpretation Update

Ron Parsons motioned to accept the recommendation from the Interpretation Drafting Team that work on this interpretation be curtailed as the drafting team does not believe it can develop an interpretation that meets the criteria issued by the Board of Trustees in November, 2009.

– *The motion was tabled.*

Executive Committee Actions

The Standards Committee directed Maureen Long to conduct an email ballot on this action item:

Authorize the Standards Committee's Executive Committee to act on the following items if they are submitted to the Standards Committee for action before October 13, 2010:

- Project 2007-23 — Violation Severity Levels – Authorize posting the VSLs for a 30-day pre-ballot review followed by a 10-day non-binding poll
 - These VSLs are posted for comment through September 16, 2010; the drafting team has a meeting scheduled to address the comments the following week and plans to ask the SC EC to meet Sept 23 or 24 to review their work and authorize moving the VSLs forward.
 - Under the 'old' process, the VSLs would be posted for a 30-day pre-ballot review followed by a 10-day non-binding poll.
 - Under the 'new' process, the VSLs would be posted for a 45-day comment period with the non-binding poll conducted during the last 10 days of the comment period.
 - NERC is obligated to file these VSLs in December, and cannot meet that deadline if the 'new' process is adopted at this point for this project.
- Project 2010-13 — Relay Loadability Order – Appoint a standard drafting team and its chair and vice chair

Adjourned at 5 pm

Agenda Standards Committee

Thursday, September 9, 2010 | 1–4 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. Meeting Agenda [**Approve**] — A. Mosher
- e. Waiver of 5-day rule [**Approve**] — A. Mosher

2. Consent Agenda (**Approve**)

- a. August 12, 2010 Standards Committee Meeting Minutes [**Approve**] (**Attachment 2a**)
- b. August 16, 2010 Executive Committee Meeting Minutes [**Ratify**] (**Attachment 2b**)
- c. Project 2008-01 — Voltage and Reactive Planning and Control – accept a resignation and appoint a member to the Standard Drafting Team [**Appoint**] (**Attachment 2c-confidential**)

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

- a. Status of high priority projects — D. Taylor (**Attachment 3a**)
- b. Reliability Standards Development Plan — project update (**Attachment 3b**) — D. Taylor
 - i) Standing Committee Support for the Reliability Standards Development Plan (**Attachment 3bi**)
 - ii) Default project Schedules (**Attachment 3bii**)
- c. Status of high priority activities and open action items — A. Mosher (**Attachment 3c**)

4. Standards Actions — M. Long

- a. Requests for standard process deviations:

- i) Project 2007-17 - Protection System Maintenance and Testing – Request for Process Deviations (**Attachment 4ai**)
 - ii) Project 2010-10 – FAC Modifications for Order 729 – Request for Process Deviation (**Attachment 4aii**)
 - iii) Project 2010-11 – TPL Footnote b – Request for Process Deviation (**Attachment 4aiii**)
 - iv) Project 2010-13 – Relay Loadability Order 733 – Request for Process Deviation (**Attachment 4aiv**)
- b. Project 2010-13 –Relay Loadability Order 733 – Direct staff to solicit nominations for a standard drafting team

5. Coordination

- a. NERC Board of Trustees activities relative to standards — H. Schrayshuen
- b. Coordination with Regional Managers — T. Gallagher and H. Schrayshuen

6. Other Items

- a. Action plan for resolving outstanding interpretations
 - i) FMPP Interpretation Update (**Attachments 6ai**)
 - ii) NWPP Interpretation Update (**Attachments 6aii**)
 - iii) ISO/RTO Interpretation Update (**Attachments 6aiii**)

7. Informational Items

- a. Status of all Interpretations (**Attachments 7a**)
- b. Drafting Team Vacancies (**Attachment 7b**)
- c. Status of all Open Projects (**Attachment 7c**)

8. Executive Committee Actions — M. Long

- a. Items expected to come before the Standards Committee’s Executive Committee before October 13-14, 2010 [**Pre-authorize**]
 - i) Project 2006-06 — Reliability Coordination – Authorize posting for pre-ballot review
 - ii) Project 2007-23 — Violation Severity Levels – Authorize posting for pre-ballot review
 - iii) Project 2010-13 — Relay Loadability Order – Appoint a drafting team and its chair and vice chair

9. Adjourn

1. **Administrative Items**

- a. **Introductions** —Standards Committee Chair Allen Mosher will lead the introduction of committee members and determine if there is a quorum.
- b. **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.
- c. **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.
- d. **Meeting Agenda** — Allen Mosher will review the meeting agenda and ask for modifications before the agenda is approved.
- e. **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:

- 2a. August 12, 2010 Standards Committee Meeting Minutes
- 2b. August 16, 2010 Executive Committee Meeting Minutes
- 2c. Project 2008-01 — Voltage and Reactive Planning and Control – accept a resignation and appoint a member to the Standard Drafting Team

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

a. **Status 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.

- Project 2007-02 — Operating Personnel Communications Protocols
- Project 2007-07 — Vegetation Management
- Project 2007-09 — Generator Verification
- Project 2007-12 — Frequency Response

b. Reliability Standards Development Plan — Project Update

A draft of the RSDP is currently posted for comment through September 16, 2010. A webinar was conducted August 24, 2010 to provide an overview of the plan and to solicit interest in providing comments on the plan and the proposed projects. Dave will provide an update on the work accomplished to date and the plans for completing the plan for approval by the Standards Committee in October and the Board of Trustees in November.

i) Standing Committee Support for the Reliability Standards Development Plan

David Taylor has been actively seeking involvement from the Standing Committees and NERC's program areas in refining the Reliability Standards Development Plan 2011-2013. In response, the chair of the Planning Committee, Tom Burgess, submitted a letter outlining the types of assistance that the Standing Committees could provide and the information the Standing Committees need from the Standards Committee.

ii) Standard Process Diagram

David Taylor will review a process diagram that shows a timeline with the steps in developing a standard under the proposed standard development process. This is the default schedule that drafting teams will be asked to follow when the new manual is approved for use.

f. Status of High Priority 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.

4. Standards Actions — M. Long

a. Requests for Standard Process Deviations:

i) Project 2007-17 - Protection System Maintenance and Testing – Request for Process Deviations

Background:

This is a continuation of the initiatives to move PRC-005-2 – Protection System Maintenance and the definition of Protection Systems through ballot and onto the BOT for approval at their August meeting.

The new goal is to move the definition forward for approval at the November BOT meeting, with the standard following the definition as rapidly as practical.

Request:

For Definition of Protection System and its Implementation Plan:

- Post revised definition for a shortened (15 day) pre-ballot review period followed by a new 10-day initial ballot
- Allow modifications between the initial ballot and the recirculation ballot

For PRC-005-2 – Protection System Maintenance and its Implementation Plan:

- Conduct successive ballots where the standard is posted for a 30-day comment period with a ballot conducted during the last 10 days of the comment period until consensus has been achieved
- Allow modifications between the final successive ballot and the recirculation ballot

ii) **Project 2010-10 – FAC Modifications for Order 729 – Request for Process Deviation**
Background:

The original project schedule was developed with the requested deviations to meet the FERC deadline of January 31, 2011. If the deviations are not authorized the FERC deadline will not be met.

Request:

- Conduct a 45-day formal comment period; form the ballot pool during 1st 30 days of the comment period; conduct the initial ballot during the last 10 days of the comment period.
- Allow significant modifications between the initial and recirculation ballots

iii) **Project 2010-11 – TPL Footnote b – Request for Process Deviation**

Background:

The team working on revisions to Table 1, Footnote ‘b’ is the same team working to revise TPL-001 through TPL-004. The use of an informal comment period will allow the team to keep both projects on schedule.

Request:

- Allow a 30-day informal comment period for proposed modifications to Footnote ‘b’ and its associated implementation plan.

iv) **Project 2010-13 – Relay Loadability Order – Request for Process Deviation**

Background:

Order No. 733 directed that an “applicability test” for elements below 200 kV be included in PRC-023, and a technical team has been working to develop this test. A requirement to perform this test must be added to the other modifications to PRC-023 and filed by March 18, 2011. Other modifications to PRC-023 were posted for an informal comment period through September 19, 2010. If the new requirement is posted for a 30-day formal comment period, the project schedule will be condensed such that there will be less time for stakeholders to review and comment on the standard in its entirety. A shorter, informal comment period would allow the team to consider stakeholder comments on the applicability test and use those comments to develop a complete draft of the standard.

Request:

- Post the proposed applicability test for a 20-day informal comment period to provide critical feedback on the applicability test before developing the final draft of the standard.
- a. **Project 2010-13 –Relay Loadability Order – Direct staff to solicit nominations for a standard drafting team**

Background:

Project 2010-13 includes three phases – the first phase is focused on completing specific changes to PRC-023 to meet the March 18, 2011 due date set within the FERC directive. The second phase of this project requires developing a standard focused on generator loadability and this work requires a different set of expertise than the expertise used to develop and revise PRC-023.

Request:

Direct staff to solicit nominations for a standard drafting team to develop a generator loadability standard to meet FERC directives from Order 733.

5. Coordination

- a. **NERC Board of Trustees Activities Relative to Standards** — H. Schrayshuen

NERC staff reviewed the Standards List Server and added, where needed, board members to ensure that all board members receive timely notice of all standards actions. Herb ensured that Ken Peterson and other board members were aware of the webinar on the Reliability Standards Development Plan.

There is an expectation that the chair of the Standards Committee will provide input to the board (from the Standards Committee) on how the board can be most usefully engaged with Standards Committee activities. These ideas and others will be discussed at the November, 2010 board meeting.

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

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

6. Other Items

a. Action Plan for Resolving Outstanding Interpretations

The threshold for accepting new requests for interpretations was raised in November, 2009 when the NERC Board of Trustees issued a set of guidelines for approving interpretations, and provided NERC staff with guidance indicating that standards development resources should be allocated to developing new or revised standards rather than processing interpretations. Application of those guidelines has led to a drastic reduction in the number of interpretations accepted, and has also resulted in delays in processing interpretations that had been entered into the process before November, 2009.

The following process will be used to resolve the backlog of interpretations:

1. Where a drafting team cannot write an interpretation that addresses the issue raised without changing the standard, the drafting team will report its findings to the Standards Committee and the resolution will be reported to the requester and the NERC Board of Trustees.
2. Interpretations that have been accepted will be processed by priority, giving highest priority to those interpretations associated with the CIP standards – this supports NERC’s corporate commitment made to stakeholders in response to the three year assessment.
3. A goal of a maximum of three interpretations will be posted for pre-ballot review at a time.

To be more responsive to stakeholders, and to provide greater visibility, a list of prioritized interpretations will be posted on the *Standards Under Development* web page.

b. FMPP Interpretation Update

Background:

Florida Municipal Power Pool (FMPP) submitted 18 requests for interpretation in late 2009. While several of these requests were not accepted, NERC staff did accept most, assigned teams to draft interpretations, and moved all those that were accepted through some of the stages of the interpretation process.

Following Board of Trustees’ advice on processing and prioritization of interpretations, NERC staff reprioritized its work to place processing of interpretations ‘lower’ in priority to standards development.

When NERC’s process for developing Compliance Application Notices (CANs) was initiated, it appeared that many of the issues raised with the FMPP requests for interpretation could be addressed more efficiently through CANs.

FMPP agreed to accept advice from CANs as a timely alternative to formal interpretations, and the processing of the interpretations was placed on hold, and work began on developing associated CANs.

FMPP has waited for several months, and the CANs have not been published. The original CAN development process has been modified and takes longer than originally envisioned.

FMPP is asking for support in completing its requests for interpretation.

c. **NWPP Interpretation Update**

The drafting team working on the interpretation has concluded that it cannot write an interpretation that addresses the requestor's issues without modifying the standard. A drafting team is working to modify the standard and the modified standard is expected to resolve the issues raised in the interpretation request.

d. **ISO/RTO Interpretation Update**

The drafting team working on the interpretation has concluded that it cannot write an interpretation that addresses the requestor's issues without modifying the standard. A drafting team is working to modify the standard and the modified standard is expected to resolve the issues raised in the interpretation request.

7. **Informational Items**

- a. Status of all Interpretations
- b. Drafting Team Vacancies
- c. Upcoming Meetings for High Priority Projects

8. **Executive Committee Actions** — M. Long

a. **Items Expected to Come Before the Standards Committee's Executive Committee Before October 13, 2010**

- i) Project 2006-06 — Reliability Coordination – Authorize posting for pre-ballot review
- ii) Project 2007-23 — Violation Severity Levels – Authorize posting for pre-ballot review
- iii) Project 2010-13 — Relay Loadability Order – Appoint a drafting team and its chair and vice chair

9. **Adjourn**

Standards Committee September 9, 2010 Attendance List

Segment	Name	Company	Attendance
Chairman Segment 4-2010-11	Allen Mosher	American Public Power Association	x
Segment 7-2009-10	John A. Anderson	Electricity Consumers Resource Council	
Segment 9-2009-10	Diane J. Barney	New York State Public Service Commission	x
Segment 2-2009-10	Terry Bilke (Jason Marshall, proxy)	Midwest ISO, Inc.	x
Segment 5-2010-11	Thomas J. Bradish (Galen Gillum as proxy)	RRI Energy	x
Segment 10-2010-11	Linda Campbell	Florida Reliability Coordinating Council	x
Segment 5-2009-10	Michael F. Gildea	Dominion Resources Services	x
Canada	David Kiguel (John Waleski as proxy)	Hydro One Networks, Inc.	x
Segment 8-2009-10	Brendan Kirby	American Wind Energy Association	x
Segment 9-2010-11	Klaus Lambeck	Ohio Public Utilities Commission	x
Vice Chairman Segment 2-2010-11	P.S. (Ben) Li	Ben Li Associates, Inc.	x
Segment 4-2009-10	John D. Martinsen, P.E.	Snohomish County PUD No. 1	x
Segment 6-2010-11	Alice Murdock	Xcel Energy, Inc.	x
Segment 7-2010-11	Frank McElvain	Siemens Energy	x
Segment 3-2009-10	Ronald G. Parsons	Alabama Power Company	x
Segment 3-2010-11	Raj Rana	American Electric Power	x
Segment 10-2009-10	Steve Rueckert	Western Electricity Coordinating Council	x
Segment 1-2010-11	Carol Sedewitz	National Grid	x
Segment 1-2009-10	Jason Shaver (Andy Pusztai as proxy for portions)	American Transmission Company, LLC	x
Segment 8-2010-11	James R. Stanton	SPS Energy	
Segment 6-2009-10	Robert S. Walker	Cargill Power Markets, LLC	

NERC Staff

- Maureen Long
- Stephanie Monzon
- Darrel Richardson
- Andy Rodriguez
- Herb Schraysshuen
- David Taylor
- Harry Tom

Observers and Guests:

- Sam Ciccone, FirstEnergy
- Ed Davis, Entergy
- Pete Heidrich, FRCC
- Bob Hinkel, Customized Energy Solutions
- Pat Huntley, SERC
- Anthony Jablonski, ReliabilityFirst Corporation
- Don Jones, Texas RE
- Laura Kennedy, NAESB
- Barry Lawson, NRECA
- Keith O'Neal, FERC
- Joe Tarantino, SMUD
- Laura Zotter, ERCOT

NERC

NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION



Meeting Agenda Standards Committee

Thursday, September 9, 2010 | 1–4 p.m. Eastern
Dial-in Number: 866-740-1260
Conference Code: 4685998

Agenda item 6aiii has been posted and is available at: <http://www.nerc.com/filez/scmin.html>

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Approved Meeting Minutes Standards Committee

Wednesday, October 13, 2010 | 8 a.m. – 5 p.m. Central
Thursday, October 14, 2010 | 8 a.m. – 3 p.m. Central

1000 Main Street
Houston, TX

Administrative

A regular meeting of the Standards Committee was held on Wednesday, October 13th from 8 a.m.–5 p.m. and Thursday, October 14th from 8 a.m.–3 p.m. The agenda, attendance list, and meeting announcement are affixed as **Exhibits A, B, and C** respectively.

Introductions and Quorum

Standards Committee Chair Allen Mosher led the introduction of committee members and determined there was a quorum.

NERC Antitrust Compliance Guidelines

Maureen Long reviewed the NERC Antitrust Compliance Guidelines.

Meeting Agenda

Raj Rana motioned to approve the agenda as distributed.

- *The motion was approved without objection or abstention.*

Waiver of 5-day Rule

Ron Parsons motioned to waive the 5-day Rule.

- *The motion was approved without objection or abstention.*

Consent Agenda

Michael Gildea motioned to approve/ratify the following items from the consent agenda:

- September 9, 2010 Standards Committee Meeting Minutes
- September 15, 2010 Executive Committee Meeting Minutes
- September 24, 2010 Executive Committee Meeting Minutes

- Project 2009-02 – Real-time Reliability Monitoring and Analysis Capabilities – appointed Michael Houglum of Tri-State Generation and Transmission to the Standard Drafting Team to fill an identified vacancy
- Project 2010-14 – Balancing Authority Reliability-based Controls appointed Jerry Rust of the Northwest Power Pool to the Standard Drafting Team

– *The motion was approved without objection or abstention.*

Status of High Priority Projects

David Taylor provided an overview of the status of high priority projects, with a particular emphasis on those high priority teams that are behind schedule and the Standards Committee discussed those high priority projects currently behind schedule.

Status of High Priority Activities and Open Action Items

Allen Mosher reviewed the list of high priority activities selected for Standards Committee attention in 2010, and the status of open action items. He encouraged all SC members to consider items for the 2011 year.

Standards Actions

Project 2010-14 – Balancing Authority Reliability Based Control Update and Issues

Jim Stanton motioned to authorize moving the work (from the SAR) for revisions to BAL-003 (draft BAL-010) to the Frequency Response SDT (Project 2007-12)

– *The motion was approved without objection or abstention.*

The SC discussed the continuation of the field test and advised the team to target completion of the field test by mid-year 2011 with a draft standard posted for stakeholder comment by the second quarter of 2011. End the field test for both the Eastern Interconnection and WECC at the same time, by the end of 2011. The SC directed the team to provide a project plan with the results of the team's efforts to add smaller Balancing authorities and Balancing Authorities from the FRCC Region to the field test.

Time Error Correction Field Test

Jim Stanton motioned to authorize the field test as proposed (assumes the next steps associated with gathering waivers from NAESB/NERC Compliance or Enforcement) will take place before the field test begins.

– *The motion was approved without objection or abstention.*

Terry Bilke identified two sentences in the proposal that should be removed and the field test proposers agreed to do so.

MISO's three-year appointment as Time Error Correction Monitor for the Eastern Interconnection ends around March 2011 and Terry Bilke indicated that MISO is willing to continue to serve as the Time Error Correction Monitor while participating in the field test.

Reliability Standards Development Plan

John Martinsen motioned to approve the Reliability Standards Development Plan: 2011-2013 with clarifying edits made by Carol Sedewitz and David Kiguel.

- *The motion was approved without objection or abstention.*

SAR for Revision to Definition of System Operator

Jim Stanton motioned to authorize posting the SAR and proposed change to the definition simultaneously for a 30-day formal comment period, with Tom Bradish as the drafting team.

- *The motion was approved without objection or abstention.*

Project 2010-15 –Urgent Action Revisions to CIP-005-3

Ben Li motioned to accept the withdrawal of the SAR; require the drafting team to consider the comments already submitted with ballots and post its summary response to comments; and advise the team to submit a new SAR if desired

- *The motion was approved without objection and one abstention – Jason Shaver.*

Project 2010-07— Generator Requirements at the Transmission Interface

The Standards Committee advised the GO-TO Drafting Team to develop a more detailed plan to identify requirements proposed for modification that are associated with existing projects – requirements that should be addressed first – etc. – goal for Jan meeting

Project 2006-07 – ATC/TTC/AFC and CBM/TRM Revisions – Endorse ATC VRF Report for Submission to Board of Trustees

Raj Rana motioned that the Standards Committee endorses that staff has properly applied the VRF criteria in analyzing the VRFs assigned to the requirements in the ATC-related standards. However the SC believes that the VRF criteria, applied to the requirements in the ATC-related standards, does not result in the starting point for a sanction (when combined with the associated VSLs) that is commensurate with the associated infraction and its minimal potential impact on reliability.

- *The motion was approved with one objection, David Kiguel and three abstentions – Terry Bilke, Jason Shaver and Carol Sedewitz.*

Modifications to the Standard Processes Manual

The Standard Processes Manual must be filed with FERC by December 1, 2010 with a revision to address the directive included in the Order approving the manual.

Ron Parsons motioned to post the manual for a shortened comment period with a concurrent ballot as follows:

- Post for comment from October 18-November 7, 2010 (21 days)
- Form a ballot pool from October 18 – October 28, 2010
- Conduct an initial ballot during the last 10 days of the comment period (October 28-November 7)
- Conduct a recirculation ballot from November 9-12, 2010

- *The motion was approved without objection or abstention.*

Coordination

NERC Board of Trustees Activities Relative to Standards

Allen Mosher provided an update on the upcoming board meeting and collected ideas from the SC members on topics for inclusion in his report on the Standards Committee's notable activities. Allen indicated that his report may include a mix of activities and outstanding policy issues.

Herb reported that his presentation will focus on standards and interpretations.

NERC's Planned Response to Recent FERC Orders

Holly Hawkins provided a verbal update on NERC's plans for responding to the Orders addressing the following:

- Modifications to FAC-008
- Modifications to the Standard Processes Manual
- Modifications to the Standard Process/ROP to ensure directives are addressed

Holly indicated that NERC's legal staff is actively seeking feedback on how to proceed in response to these Orders.

Coordination with Regional Managers

Tim Gallagher reported that there is a need for greater uniformity across Regions with respect to Regional Standards and recommended that the Standards Committee reconsider its role with respect to Regional Standards.

Herb Schrayshuen reported that the Regions have been discussing how to coordinate across Regions and this discussion has led to a Charter for a new Regional Standards Group. The focus of this group will be on policy issues and improving uniformity.

Subcommittee Reports

Communications and Planning Subcommittee

Raj Rana, subcommittee chair, reported that the subcommittee met on October 12, 2010 and the subcommittee's key activities include the following:

1. Preparing some messages (aimed at increasing awareness of standard process improvements and SC activities) for distribution to different audiences – messages are to increase awareness of project prioritization, quality reviews, and expectations for use of successive ballots to achieve stakeholder consensus
2. Improving web site based on feedback from stakeholders regarding uniformity, consistency between web pages – monitoring NERC's progress in making improvements
3. Analyzing the results of a survey conducted at the conclusion of the October 5-6, 2010 Standards and Compliance workshop.

Raj also reported that he is close to retirement, and the SC endorsed having Mike Gildea, vice chair, assume the SC PS chair duties until replaced by the SC Leadership.

Process Subcommittee

Ben Li, subcommittee co-chair, reported that the subcommittee met on October 12, 2010 and the subcommittee's key activities include the following:

1. Developing a process for setting project priorities that is in a near-final stage and will be field tested and fine tuned over the next two months with a goal of bringing a product to the January 2011 Standards Committee for approval.
2. Working on a revision to the Interpretation Procedure that reflects the Board's November 2009 guidance, the language in the Standard Processes Manual and the guidance provided by the SC Executive Committee relative to increasing transparency by posting the drafting team roster, assigning a stakeholder to chair the interpretation drafting team, and by posting meeting agendas and notes. The subcommittee plans to bring a procedure for the Standards Committee to approval for posting for stakeholder comment at its January meeting
3. The subcommittee recommends formation of a workgroup to review the results of Quality Reviews.

Terry Bilke motioned that the Standards Committee endorse the "concept" of the formation of the Quality Review Analysis work group (QRAWG) and associated procedure with the following elements:

- The SC to form a SCQRAWG, consisting of five SC members (three as quorum) assigned to do analyses of Quality Reviews & authorize posting standards for concurrent comment/ballot periods; actions would be ratified at next regularly scheduled SC meeting

- Each SC member would be assigned to the SCQRAWG for a three-month duration on a rotational basis
- A two hour training session on the Quality Review process will be conducted for SC members at the beginning of each quarter
- *The motion was approved without objection and three abstentions – Michael Gildea, Alice Ireland and Jason Shaver.*

Peter Heidrich motioned to adopt a recommendation to delegate to the Standards Process Manager the authority to make a determination on the acceptability of a proposed standard (using the analysis of the standard conducted by the Quality Review team consisting of representatives from CCC, Legal & Standards) before being posted for formal comment periods that are not also formal comment periods with parallel ballots.

- *The motion was approved with two objections – Jason Shaver and Michael Gildea, and no abstentions.*

Discussion Items

NWPP Interpretation Update

Ben Li motioned to table action on the NWPP's request for an interpretation until a more detailed procedure for processing interpretations is developed and approved and motioned that staff withhold processing any new requests for interpretation until the procedure for processing interpretations is in place .

- *The motion was approved without objection and three abstentions – Jason Shaver, Tom Bradish, and Steve Rueckert*

ISO/RTO Interpretation Update

Alice Ireland motioned that the interpretation be posted for comment.

- *The motion was approved with no objections and three abstentions - Allen Mosher, Steve Rueckert, Ron Parsons*

Selection of 2011 Meeting Dates and Locations

The committee adopted the same meeting schedule as used for 2010. Face-to-face meetings will be held in January (Atlanta), April (Salt Lake City), July (Portland OR), and October (Atlanta). Conference calls will be held on the second Thursday of each month that does not have a face-to-face meeting. The duration of these calls will be extended to 4 hours, from 1-5 p.m. Eastern time, with a 15 minute break in the middle of the meeting. The 2011 meeting schedule is included as **Exhibit D**.

- January –Atlanta
- April – Salt Lake City

- July – Portland
- October - Atlanta

Web Page Updates

Herbert Schrayshuen reported that NERC staff is working on improving the accuracy of the standards Web pages and may have an independent review conducted of the Web site. Members of both the Communications & Planning Subcommittee and Process Subcommittee are working together through Mallory to monitor changes to the standards Web pages.

Costs Associated with Reliability and Risks Mitigated for That Cost

A brief discussion on cost benefits was initiated and Allen invited committee members and observers to send him their suggestions. Allen concluded that the cost benefit associated with reliability requirements needs to be addressed in a NERC-wide forum.

DT Leadership Session

Most participants in the DT leadership session indicated that the session was beneficial and recommend holding a similar session once a year. A summary of the observations and suggestions identified during the leadership session is included as **Exhibit E**.

Executive Committee Actions

Steve Rueckert motioned to authorize the Standards Committee's Executive Committee to act on the following items if they are submitted to the Standards Committee for action before November 11, 2010:

- Project 2010-13 — Relay Loadability Order (Generator Relay Loadability) – Appoint a drafting team and its chair and vice chair
 - *The motion was approved without objection or abstention.*

Adjourned

Draft Agenda Standards Committee

Wednesday, January 12, 2010 | 8–5 p.m. Eastern
Thursday, January 13, 2010 | 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 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

- a. Overview of 2010 high priority projects — D. Taylor (**Attachment 3a**)
- 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

- 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

- 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 MemberThe 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.

Note to SC Members: At the time the agenda was being prepared the documents were complete but not all publicly posted. The documents should all be posted prior to the SC meeting.

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 Standard 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

Standards Committee Procedure

Title: Processing Requests for an Interpretation

Purpose: To ensure that requests for interpretation are processed in accordance with established standards development procedure and Standards Committee’s prioritization process.

Conditions: When a requirement of an approved reliability standard is unclear, and the lack of clarity or an incorrect interpretation could result in a material reliability impact.

Only the requirements of a standard can be interpreted in response to a request for interpretation. Questions on other standards element, including Applicability, Measures, Compliance Elements, Violation Risk Factors, Violation Severity Level, etc. are related to compliance and registration, and may be addressed by reviewing guidance provided on the Compliance section of the NERC website. If an issue has not been addressed through previously-issued compliance guidance, the question may be submitted to cancomments@nerc.net.

Responsibility	Activity
Interpretation Requester	Complete applicable sections of the “ Request for Interpretation ” form and submit to the Standards Process Manager.
Director of Standards Process	<p>Within ten calendar days, complete the following:</p> <ul style="list-style-type: none"> • Send the Requester an electronic confirmation of receipt of the request. • Verify that all required information has been provided. • Verify that the request is valid in accordance with the criteria stipulated in the Conditions Section of this document. • Identify extraneous information that is unrelated to the area of the standard needing clarification and produce a recommended set of revisions that includes only relevant information. • Based on the results of this review and if needed, send the Requester an indication of acceptance of the request, or any content that needs revision as well as development history relevant to the request. • Submit the request (revised by the Requester where appropriate, as indicated below) to the Director of Standards Development for project identification and prioritization, or recommend to the Standards Committee if the request is to be rejected.
Interpretation Requester	<p>As soon as reasonably possible after receipt of the Director of Standards Process’s comments regarding the request, if any, either:</p> <ul style="list-style-type: none"> • Submit a revised request; • Inform the Director of Standards Process that the requester seeks to move forward with the request as originally submitted; or • Notify the Director of Standards Process that the request is withdrawn.

	<ul style="list-style-type: none"> •
Director of Standards Development	<ul style="list-style-type: none"> • Using the established project identification and prioritization procedure, recommend to the Standards Committee the timing for moving into the interpretation formulation phase. • Request that the Standards Committee form a drafting team with at least 5 members from an existing drafting team on the requested standard. Where a drafting team does not exist for the requested standard, request that the Standards Committee solicit nominations to form the drafting team. • Appoint a coordinator to facilitate the drafting team in developing an interpretation.
Coordinator	Record all proceedings of the drafting team meetings and conference calls, and facilitate the posting of draft interpretation, response to comments, compilation of ballot results and all related process through to the Board's adoption of the industry-approved interpretation and filing with FERC.
Drafting Team	Draft an interpretation that does not modify the intent of what is in the approved standard, and submit it to the Standards Program Administrator for editing and posting.
	<p>The interpretation must be within the strict construction and intent of the standard, and not seek to expand the reach of the standard to correct a perceived gap or deficiency in the standard.</p> <p>If an interpretation within the above stated condition cannot be written, or if the request reveals a reliability gap that requires changes to the standard, the drafting team should report to the Standards Committee of its conclusion, and recommend the appropriate corrective action to bridge the gap.</p> <p>If an agreement cannot be reached on an interpretation, seek the guidance of the Standards Committee.</p>
Standards Committee	<p>If guidance is sought, the Standards Committee shall meet as soon as reasonably possible to consider the request for guidance. The committee shall provide guidance as requested, which may include one of the following:</p> <ul style="list-style-type: none"> • Remand the interpretation to the requester and ask for modifications to narrow the focus or improve clarity • Direct the drafting team to move its interpretation forward
Standards Program Administrator	<p>Post the Request for Interpretation and the Proposed Interpretation for public comment to include the following questions:</p> <ul style="list-style-type: none"> • Does this interpretation modify the intent of the approved standard? • Do you agree with this interpretation? If not, why not. <p>Announce the opening of the ballot pool.</p>
Drafting Team	<p>Review and respond to all comments.</p> <p>If the comments indicate that there is consensus for the interpretation, and either no changes or only minor changes are needed, submit the response to comments and a redline and clean version of the interpretation to the Director of Standards Process for quality review and post the interpretation for concurrent commenting and balloting.</p>

	<p>If the comments indicate that there is not a consensus for the interpretation, consider revising the interpretation. If the interpretation can be revised without modifying the intent of the approved standard, develop a modified interpretation and submit the response to comments, and redline and clean versions of the interpretation to the Director of Standards Process for quality review and to the Standards Program Administrator with a request to post for another 15-day comment period.</p>
Director of Standards Process	<p>Conduct quality review and recommend to the Standards Committee to post the interpretation for pre-ballot review, or remand to the drafting team for revision if the interpretation does not meet established Quality Review criteria or the interpretation goes beyond the strict construction and intent of the standard or expands the reach of the standard to correct a perceived gap or deficiency.</p>
Standards Program Administrator	<p>Post the Request for Interpretation and the Interpretation for a 15 calendar day pre-ballot period.</p> <p>Announce the opening of the 15 calendar day pre-ballot window.</p> <p>Announce and conduct an Initial Ballot for 10 calendar days.</p> <p>Assemble comments submitted with the initial ballots and distribute to the Drafting Team.</p>
Drafting Team	<p>Review and respond to all comments.</p> <p>If the comments (or the results of the ballot) do not indicate consensus for the interpretation, either:</p> <ul style="list-style-type: none"> • Revise the interpretation and post for another comment period, or • Recommend that the request be withdrawn and a SAR be entered into the standards process to revise the standard.
Standards Program Administrator	<p>Post the drafting team's response to comments.</p> <p>If the comments indicate consensus for the interpretation, announce and conduct a recirculation ballot for 10 calendar days.</p> <p>If the drafting team revised the interpretation, post for another comment period and then initiate a new pre-ballot posting.</p>
Director, Standards Board of Trustees	<p>Submit the interpretation to the board for its approval.</p> <p>The board shall adopt or reject the interpretation, but may not modify the proposed interpretation. If the board chooses not to adopt the interpretation, it shall provide its reasons for not doing so.</p>
Standards Administrator	<p>Append the interpretation to the board approved version of the standard, update the standard's version number, and send a notice of the approval to the standards list servers.</p>
Director, Standards	<p>Submit the interpretation (appended to the associated standard) to applicable governmental authorities for approval.</p>
Standards Administrator	<p>Once approval is received from applicable governmental authorities, modify applicable governmental approved version of the standard and send a notice to the standards list servers.</p>

Agenda Standards Committee

Friday, February 11, 2011 | 1–5 p.m. Eastern

Dial-in Number: 866-740-1260

Participant Code: 4685998

1. Administrative Items

- a. Introductions and Quorum* (A. Mosher)
- b. Conference Call Reminder
- c. NERC Antitrust Compliance Guidelines* (M. Long)
- d. Meeting Agenda — **Approve** (A. Mosher)
- e. Waiver of 5-day Rule — **Approve** (A. Mosher)

2. Consent Agenda

- a. January 13, 2011 Standards Committee Meeting Minutes* — **Approve**
- b. January 24, 2011 Standards Committee Executive Committee Meeting Minutes* — **Ratify**
- c. February 2, 2011 Standards Committee Executive Committee Meeting Minutes* — **Ratify**
- d. Project 2010-13 – Relay Loadability Order 733 – Phase II Standard Drafting Team Standard – Accept the resignation of one member and appoint two additional members to the drafting team * **Confidential (To be sent separately)** — **Appoint**

3. High Priority Projects, Activities, and Action Items

- a. Status of Projects Identified as High Priority in 2010* (A. Rodriguez)
- b. Project 2010-17 – Definition of Bulk Electric System* (P. Heidrich)
- c. Project 2008-06 – Cyber Security – Order 706 (H. Gugel)
- d. SC 2011 Strategic Goals (A. Mosher)
 - i) Report from February 8 FERC Technical Conference on Priorities for Addressing Risks to the Reliability of the Bulk Power System*
 - ii) Report from Board of Trustees Standards Oversight and Technology Committee Meeting and Agenda for February 16, 2011 Meeting*

- iii) Report from February 10, 2011 Standards Committee's Executive Committee Planning Session* **(To be sent separately)**

4. Standards Process

- a. Project Prioritization – Identify High Priority Projects and a plan for communicating the results with stakeholders and drafting teams *(A. Mosher)
- b. SAR for Special Protection Systems* (M. Long) — **Remand**
- c. Interpretation Procedure* (B. Li)— **Approve**
- d. Quality Review Advisory Working Group Scope*(B. Li) — **Approve (To be sent separately)**
- e. Standard Drafting Team Scope* (B. Li) — **Approve**
- f. Communications and Planning Subcommittee Activities (M. Gildea)

5. Coordination

- a. Coordination with Regulatory and Governmental Authorities (H. Hawkins)
- b. Coordination with Regional Managers (H. Schrayshuen)
 - Status of developing Rules of Procedure change for BES Definition Exception Process

6. Other Items

- a. SC vacancies
- b. Status of meeting ANSI's five year review of standards

7. Informational Items

- a. Status of all Interpretations*
- b. Drafting Team Vacancies*
- c. Upcoming Standards Project Meetings*
- d. Board of Trustees Standards Oversight and Technology Committee Mandate*

8. Executive Committee Actions (M. Long)

- a. Items expected to come before the Standards Committee's Executive Committee before March 10, 2011 **(Pre-authorize)**
 - Project 2009-01 — Disturbance and Sabotage Reporting — Authorize posting
 - Project 2007-03 — Real-time Operations — Authorize posting
 - Project 2007-09 — Generator Verification — Authorize posting
 - Project 2010-15 — Expedited Revisions to CIP-005 — Authorize posting
 - Project 2008-06 — Cyber Security 706 — Appoint replacements to the SDT

9. Adjourn

*Background materials included.

1. Administrative Items

- a. **Introductions** — Allen Mosher will lead the introduction of committee members and determine if there is a quorum.
- b. **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.
- c. **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.
- d. **Meeting Agenda** — Allen Mosher will review the meeting agenda and ask for modifications before the agenda is approved.
- e. **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) January 13, 2011 Standards Committee Meeting Minutes
- b) January 24, 2011 Standards Committee Executive Committee Meeting Minutes
- c) February 2, 2011 Standards Committee Executive Committee Meeting Minutes
- d) Project 2010-13 – Relay Loadability Order 733 – Phase II Standard Drafting Team – Accept the resignation of one member and appoint two additional members to the drafting team

3. High Priority Projects, Activities and Action Items

- a. Status of projects identified as high priority in 2010

Andy Rodriguez will review the status of high priority projects, with a focus on those projects that are experiencing issues causing project delays.

b. Project 2010-17 – Definition of Bulk Electric System

Peter Heidrich will provide an update on the status of the BES Definition Drafting Team.

c. Project 2008-06 – Cyber Security – Order 706

Howard Gugel will provide an update on the status of the Cyber Security Order 706 project.

d. SC 2011 Strategic Goals*

Allen Mosher will provide an update on recent meetings involving standards activities, including a report on each of the following meetings:

- February 8 FERC Technical Conference on Priorities for Addressing Risks to the Reliability of the Bulk Power System
- February 1, 2011 Board of Trustees Standards Oversight and Technology Committee meeting and agenda for February 16, 2011 meeting
- February 10, 2011 Standards Committee’s Executive Committee planning session

4. Standards Process

a. Project Prioritization – Identify High Priority Projects and a plan for communicating the results with stakeholders and drafting teams

Allen Mosher will lead the committee in identifying an initial set of high priority projects for 2011. The Standards Committee deferred action in making a final identification of a set of high priority projects for 2011 pending input from the February 8, 2011 Technical Conference and pending input from stakeholders and drafting teams. The project prioritization tool and reference document were posted for an abbreviated stakeholder comment period through February 10, 2011.

The committee will discuss the feedback received and will determine which projects to treat as an initial set of high priority projects, which projects to defer until resources are freed from high priority projects, and how to share its determinations with the affected drafting teams and other stakeholders.

b. SAR for Special Protection Systems

The Regional Reliability Standards Working Group submitted a SAR to address Special Protection Systems. The SAR proposes revisions to PRC-012 through PRC-015 with a focus on removing ‘fill-in-the-blank’ elements from the standards. This SAR proposes to address four standards: PRC-012, PRC-13, PRC-014 and PRC-15. The RSDP 2010-2012 includes two projects (Project 2010-03 Modeling Data and Project 2010-05 Protection Systems) that address all four of these standards in addition to other standards. PRC-013 is included, along with nine other standards that involve modeling, in Project 2010-03. PRC-012 and PRC-015 are included along with three other standards that have fill-in-the-blank requirements in Project 2010-05. In view of the overlap between this SAR and two previously-approved projects, NERC staff recommends that the SAR be remanded to the authors for additional work. The revised submission should include:

- A technical justification to support the proposed approach and explaining how the approach is superior (in terms of improving continent-wide reliability and making efficient use of drafting resources) to that in the currently approved project list
- A plan showing how the remaining standards in the two approved projects would be addressed
- Evidence that the regions have agreed on a continent-wide approach for the necessary data for each fill-in-the blank requirement.

c. Interpretation Procedure

Ben Li will provide an overview of the Interpretation Procedure drafted by the Standards Committee's Process Subcommittee and will ask for full committee approval. 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.' The document provides greater transparency to the work of interpretation drafting teams. This is an important procedure as the Standards Committee has directed staff to defer from starting work on any new interpretations until this procedure is in place.

d. Quality Review Advisory Working Group Scope

Ben Li will provide an overview of the Quality Review Advisory Working Group Scope document drafted by the Standards Committee's Process Subcommittee and will ask for full committee approval. This document identifies the purpose and scope of activities proposed for the work group assigned to address quality reviews.

e. Standard Drafting Team Scope

Ben Li will provide an overview of the updated Standard Drafting Team Scope (SDT Scope) document and will ask for full committee approval. 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.'

f. Communications and Planning Subcommittee Activities

Michael Gildea will provide an update on the plans for the March 30-April 1, 2011 Standards and Compliance workshop in Salt Lake City as well as other subcommittee activities.

5. Coordination

a. Coordination with Regulatory and Governmental Authorities

Holly Hawkins will provide an update on regulatory activities since the last Standards Committee meeting.

b. Coordination with Regional Managers

- Status of developing Rules of Procedure change for BES Definition Exception Process

Herb Schrayshuen will provide an update on the work group formed to address the Rules of Procedure change associated with the update to the definition of BES.

6. Other Items

a. SC Vacancies

The process of running special elections to fill the two, one-year terms for Segment 3 and Segment 5 that were vacated by Raj Rana and Tom Bradish has been initiated.

b. Status of meeting ANSI's five year review of standards

ANSI has a list of criteria for accreditation as a standards developer, and one criterion is a requirement to review each standard five years from the effective date of that standard. The Version 0 standards became effective in the United States on June 18, 2007, meaning that by June 18, 2012 all of the Version 0 standards must be reviewed and either reaffirmed or revised. The project prioritization tool includes a rating aimed at giving priority to revisions associated with standards that are nearing the five year review period. The project prioritization tool assigns 50 points to a project with a standard that will meet its five year review within a year; 25 points to a project with a standard that will meet its five year review within two years; 15 points to a project with a standard that will meet its five year review within three years. Several projects in the Reliability Standard Development Plan involve revisions to standards that became effective in 2007 and have not undergone revisions since that time.

7. Informational Items

- a. Status of all interpretations
- b. Drafting team vacancies
- c. Upcoming standards project meetings
- d. Board of Trustees Standards Oversight and Technology Committee Mandate

8. Executive Committee Actions — (M. Long)

- a. Pre-authorize the Standards Committee's Executive Committee to take action on the following items if they are submitted for Standards Committee action before March 10, 2011:
 - Project 2009-01 — Disturbance and Sabotage Reporting — Authorize posting
 - Project 2007-03 — Real-time Operations — Authorize posting
 - Project 2007-09 — Generator Verification — Authorize posting
 - Project 2010-15 — Expedited Revisions to CIP-005 — Authorize posting
 - Project 2008-06 — Cyber Security 706 — Appoint replacements to the SDT

9. Adjourn

Standards Committee Procedure

Title: Processing Requests for an Interpretation

Purpose: To ensure that requests for interpretation are processed in accordance with established standards development procedure and Standards Committee's prioritization process.

Conditions: When a requirement of an approved reliability standard is unclear, and the lack of clarity or an incorrect interpretation could result in a material reliability impact.

Only the requirements of a standard can be interpreted in response to a request for interpretation. Questions on other standards element, including Applicability, Measures, Compliance Elements, Violation Risk Factors, Violation Severity Level, etc. are related to compliance and registration, and may be addressed by reviewing guidance provided on the Compliance section of the NERC website. If an issue has not been addressed through previously-issued compliance guidance, the question may be submitted to cancomments@nerc.net.

Responsibility	Activity
Interpretation Requester	Complete applicable sections of the " Request for Interpretation " form and submit to the Standards Process Manager.
Director of Standards Process	<p>Within ten calendar days, complete the following:</p> <ul style="list-style-type: none"> • Send the Requester an electronic confirmation of receipt of the request. • Verify that all required information has been provided. • Verify that the request is valid in accordance with the criteria stipulated in the Conditions Section of this document. • Identify extraneous information that is unrelated to the area of the standard needing clarification and produce a recommended set of revisions that includes only relevant information. • Based on the results of this review and if needed, send the Requester an indication of acceptance of the request, or any content that needs revision as well as development history relevant to the request. • Submit the request (revised by the Requester where appropriate, as indicated below) to the Director of Standards Development for project identification and prioritization, or recommend to the Standards Committee if the request is to be rejected.
Interpretation Requester	<p>As soon as reasonably possible after receipt of the Director of Standards Process's comments regarding the request, if any, either:</p> <ul style="list-style-type: none"> • Submit a revised request; • Inform the Director of Standards Process that the requester seeks to move forward with the request as originally submitted; or • Notify the Director of Standards Process that the request is withdrawn.

Director of Standards Development	<ul style="list-style-type: none"> • Using the established project identification and prioritization procedure, recommend to the Standards Committee the timing for moving into the interpretation formulation phase. • Request that the Standards Committee form a drafting team with at least 5 members from an existing drafting team on the requested standard. Where a drafting team does not exist for the requested standard, request that the Standards Committee solicit nominations to form the drafting team. • Appoint a coordinator to facilitate the drafting team in developing an interpretation.
Coordinator	Record all proceedings of the drafting team meetings and conference calls, and facilitate the posting of draft interpretation, response to comments, compilation of ballot results and all related process through to the Board's adoption of the industry-approved interpretation and filing with FERC.
Drafting Team	<p>Draft an interpretation that does not modify the intent of what is in the approved standard, and submit it to the Standards Program Administrator for editing and posting.</p> <p>The interpretation must be within the strict construction and intent of the standard, and not seek to expand the reach of the standard to correct a perceived gap or deficiency in the standard.</p> <p>If an interpretation within the above stated condition cannot be written, or if the request reveals a reliability gap that requires changes to the standard, the drafting team should report to the Standards Committee of its conclusion, and recommend the appropriate corrective action to bridge the gap.</p> <p>If an agreement cannot be reached on an interpretation, seek the guidance of the Standards Committee.</p>
Standards Committee	<p>If guidance is sought, the Standards Committee shall meet as soon as reasonably possible to consider the request for guidance. The committee shall provide guidance as requested, which may include one of the following:</p> <ul style="list-style-type: none"> • Remand the interpretation to the requester and ask for modifications to narrow the focus or improve clarity • Direct the drafting team to move its interpretation forward
Standards Program Administrator	<p>Post the Request for Interpretation and the Proposed Interpretation for public comment to include the following questions:</p> <ul style="list-style-type: none"> • Does this interpretation modify the intent of the approved standard? • Do you agree with this interpretation? If not, why not. <p>Announce the opening of the ballot pool.</p>
Drafting Team	<p>Review and respond to all comments.</p> <p>If the comments indicate that there is consensus for the interpretation, and either no changes or only minor changes are needed, submit the response to comments and a redline and clean version of the interpretation to the Director of Standards Process for quality review and post the interpretation for concurrent</p>

	commenting and balloting.
	If the comments indicate that there is not a consensus for the interpretation, consider revising the interpretation. If the interpretation can be revised without modifying the intent of the approved standard, develop a modified interpretation and submit the response to comments, and redline and clean versions of the interpretation to the Director of Standards Process for quality review and to the Standards Program Administrator with a request to post for another 15-day comment period.
Director of Standards Process	Conduct quality review and recommend to the Standards Committee to post the interpretation for pre-ballot review, or remand to the drafting team for revision if the interpretation does not meet established Quality Review criteria or the interpretation goes beyond the strict construction and intent of the standard or expands the reach of the standard to correct a perceived gap or deficiency.
Standards Program Administrator	Post the Request for Interpretation and the Interpretation for a 15 calendar day pre-ballot period. Announce the opening of the 15 calendar day pre-ballot window. Announce and conduct an Initial Ballot for 10 calendar days. Assemble comments submitted with the initial ballots and distribute to the Drafting Team.
Drafting Team	Review and respond to all comments. If the comments (or the results of the ballot) do not indicate consensus for the interpretation, either: <ul style="list-style-type: none"> • Revise the interpretation and post for another comment period, or • Recommend that the request be withdrawn and a SAR be entered into the standards process to revise the standard.
Standards Program Administrator	Post the drafting team's response to comments. If the comments indicate consensus for the interpretation, announce and conduct a recirculation ballot for 10 calendar days. If the drafting team revised the interpretation, post for another comment period and then initiate a new pre-ballot posting.
Director, Standards Board of Trustees	Submit the interpretation to the board for its approval. The board shall adopt or reject the interpretation, but may not modify the proposed interpretation. If the board chooses not to adopt the interpretation, it shall provide its reasons for not doing so.
Standards Administrator	Append the interpretation to the board approved version of the standard, update the standard's version number, and send a notice of the approval to the standards list servers.
Director, Standards	Submit the interpretation (appended to the associated standard) to applicable governmental authorities for approval.
Standards Administrator	Once approval is received from applicable governmental authorities, modify applicable governmental approved version of the standard and send a notice to the standards list servers.

Draft Meeting Minutes Standards Committee

Friday, February 11, 2011 | 1–5 p.m. Eastern

1. Administrative

A conference call meeting of the Standards Committee was held on Friday, February 11, 2011 from 1 p.m. to 5:00 p.m. The agenda, attendance list, and meeting announcement are affixed as Exhibits A, B, and C respectively. (Note that this meeting was originally scheduled to take place on February 10, 2011 but was changed to February 11, 2011 due to schedule conflicts.)

Introductions and Quorum

Standards Committee Chair Allen Mosher led the introduction of committee members and determined there was a quorum. Allen reminded all that the conference call was open to all interested parties and everyone should recognize that it is not possible to know everyone who may be listening to the call.

NERC Antitrust Compliance Guidelines

Maureen Long reviewed the NERC Antitrust Compliance Guidelines.

Meeting Agenda

Allen Mosher reviewed the meeting agenda and asked for modifications. The agenda was modified to remove items 4b (SAR for Special Protection Systems) and 4c (Interpretation Procedure) and to rearrange the sequence so that item 5b (Status of Developing Rules of Procedure Change for BES Definition Exception Process) was moved to occur immediately after 3b (Project 2010-17 – Definition of Bulk Electric System).

Ben Li motioned to approve the agenda as modified.

- *The motion was approved without objection or abstention.*

Waiver of 5-day Rule

Carol Sedewitz motioned to waive the 5-day rule.

- *The motion was approved unanimously.*

2. Consent Agenda

Steve Reuckert asked to remove the January 13, 2011 Standards Committee Meeting Minutes from the consent agenda for discussion.

Approve Consent Agenda

Michael Gildea motioned to approve the following items from the consent agenda:

- January 24, 2011 Standards Committee Executive Committee Meeting Minutes
- February 2, 2011 Standards Committee Executive Committee Meeting Minutes
- Project 2010-13 – Relay Loadability Order 733 – Phase II Standard Drafting Team Standard
- Accept the resignation of Xing Chen of BC Hydro and appoint Samuel Bryan Burch of Southern Company Generation and Xiaodong Sun of Ontario Power Generation to the drafting team
- *The motion was approved without objection or abstention.*

Following a brief discussion, Steve Rueckert motioned to approve the January 13, 2011 Standards Committee Meeting Minutes as presented.

- *The motion was approved without objection or abstention.*

3. High Priority Projects, Activities and Action Items

Status of Projects Identified as High Priority in 2010

Andy Rodriguez reviewed the status of high priority projects.

Project 2010-17 – Definition of Bulk Electric System

Peter Heidrich provided an update on the status of the BES Definition Drafting Team. Pete indicated that the team is near completion in its response to stakeholder comments, and the comments did support the need for some clarifications to the SAR. Pete reported that the definition, as revised, is expected to include sufficient detail in the bright line criteria for BES inclusion/exclusion that the need to use the exception process should be minimized.

Status of Developing Rules of Procedure Change for BES Definition Exception Process

Herbert Schrayshuen provided an update on the Rules of Procedure change associated with the update to the definition of BES. Herb indicated that he is delaying formation of this work group pending resolution of the location of the study methodology used to support the exception process. Herb indicated that, in forming his work group, he is seeking a group with diverse representation (country, interconnection, expertise, etc) and is looking at those individuals who volunteered for the BES Definition Drafting Team as well as others who have volunteered independently.

Project 2008-06 – Cyber Security – Order 706 Status Report

Howard Gugel reported that the CIP Version 4 Standards have been filed for approval with FERC and the team is working on the next version of the standards. Howard reported that several team members have resigned, and the leadership of the team wants to leave most vacant positions empty to allow team's size to decrease while maintaining diversity amongst the remaining

members. There is a vacant position representing Canada and the team will recommend filling this vacancy.

SC 2011 Strategic Goals (Exhibit D)

Allen Mosher led the committee in a discussion of a proposed set of goals for 2011. Those goals were refined during the meeting and are included in the meeting minutes as Exhibit D.

Allen Mosher, Herb Schrayshuen, John Anderson and Ken Peterson all provided updates on the February 8 FERC Technical Conference on Priorities for Addressing Risks to the Reliability of the Bulk-Power System. There was consensus in their perceptions of the following:

- Recognition that NERC's standards development efforts need to focus well on a few things
- Agreement that there is value in identifying which standards projects should be considered high priority
- Agreement to have additional Technical Conferences about twice/year

4. Standards Process

Project Prioritization Tool

John Anderson motioned to approve use of the tool; prioritize projects with a concentration of effort on those projects that achieved the top 12 highest ratings; and authorize the tool and list of highest ranking projects to be presented to the Board of Trustees.

– *The motion was approved with one opposed (Patrick Brown) and no abstentions.*

Standards Committee's Process for Standard Project Identification, Prioritization, and Monitoring (Exhibit E)

Brian Murphy proposed adding language to the reference document to clarify that the column in the project prioritization tool labeled, "Scheduled for 5-year review" does not indicate that we won't meet the 5 year review. The committee supported this modification and the revised document is included in the meeting minutes as Exhibit E.

Follow up Action Plan

Allen Mosher and Herbert Schrayshuen will reach out to Drafting Teams after the February 17, 2011 Board of Trustees meeting and discuss future actions.

Quality Review Advisory Working Group Charter (Exhibit F)

The following edits were supported by the committee:

- Don't require the QRAWG to review all results, limit the scope to those results associated with postings involving initial and successive ballots
- Change training from a requirement to a recommendation
- Clarify that the chair of the QRAWG is appointed by the Standards Committee's chair and vice chair
- Add specific language to identify the actions the QRAWG can take in accepting or remanding a proposed standard.

The following additional edits were discussed but were not fully supported as mandates:

- Require segment diversity in the members appointed by chair/vice chair
- Require preauthorization of this group's effort

Patrick Brown motioned to approve the Quality Review Advisory Working Group Charter with the edits discussed and supported by the majority of the committee:

- *The motion was approved with one objection, Jason Shaver; and two abstentions – Carol Sedewitz and Brian Murphy.*

Standard Drafting Team Scope

John Anderson motioned to approve the SDT Scope document as presented.

- *The motion was approved without objection or abstention.*

Communications and Planning Subcommittee Activities

Michael Gildea provided an update on the plans for the March 30-April 1, 2011 Standards and Compliance workshop in Salt Lake City as well as other subcommittee activities. He reported that several members have not been active and an effort is underway to see if these volunteers want to continue with the subcommittee or withdraw their membership.

5. Coordination

Upcoming Postings for Changes to Rules of Procedure (Exhibit G)

Maureen Long and Holly Hawkins reported that the Industry Segment criteria must remain in the Rules of Procedure. (When making changes to the Reliability Standard Development Procedure, all the documents subject to change outside of the changes to the standard development manual were removed to prevent the need to update the manual based on changes to the other documents.) Holly reported that an update to the Industry Segment Criteria will be posted for stakeholder comment before seeking Board approval and formal filing.

Maureen Long reported that the changes to the Standards Committee's Election Procedure are included in the Rules of Procedure and must be changed following the process for updating the Rules of Procedure. Changes to the election procedure identified by the Standards Committee over the past couple of years will be posted as proposed changes to the Rules of Procedure are included in the meeting minutes as Exhibit H and include:

- Streamlining the special election process (to eliminate the need to collect petitions and conduct a ratification ballot as part of the process in filling vacant positions between annual elections)
- Electing the chair and vice chair from the committee membership before the annual election of members
- Changing the chair and vice chair positions so they are non-voting members

6. Executive Committee Actions

Jim Stanton motioned to pre-authorize the Standards Committee's Executive Committee to take action on the following items if they are submitted for Standards Committee action before March 10, 2011:

- Project 2009-01 — Disturbance and Sabotage Reporting — Authorize posting
 - Project 2007-03 — Real-time Operations — Authorize posting
 - Project 2007-09 — Generator Verification — Authorize posting
 - Project 2010-15 — Expedited Revisions to CIP-005 — Authorize posting
 - Project 2008-06 — Cyber Security 706 — Appoint replacements to the SDT
 - Interpretation Procedure — Approve
- *The motion was approved without objection or abstention.*

7. Adjourn

Agenda Standards Committee

Friday, February 11, 2011 | 1–5 p.m. Eastern

Dial-in Number: 866-740-1260

Participant Code: 4685998

1. Administrative Items

- a. Introductions and Quorum* (A. Mosher)
- b. Conference Call Reminder
- c. NERC Antitrust Compliance Guidelines* (M. Long)
- d. Meeting Agenda — **Approve** (A. Mosher)
- e. Waiver of 5-day Rule — **Approve** (A. Mosher)

2. Consent Agenda

- a. January 13, 2011 Standards Committee Meeting Minutes* — **Approve**
- b. January 24, 2011 Standards Committee Executive Committee Meeting Minutes* — **Ratify**
- c. February 2, 2011 Standards Committee Executive Committee Meeting Minutes* — **Ratify**
- d. Project 2010-13 – Relay Loadability Order 733 – Phase II Standard Drafting Team Standard – Accept the resignation of one member and appoint two additional members to the drafting team * **Confidential (To be sent separately)** — **Appoint**

3. High Priority Projects, Activities, and Action Items

- a. Status of Projects Identified as High Priority in 2010* (A. Rodriguez)
- b. Project 2010-17 – Definition of Bulk Electric System* (P. Heidrich)
- c. Project 2008-06 – Cyber Security – Order 706 (H. Gugel)
- d. SC 2011 Strategic Goals (A. Mosher)
 - i) Report from February 8 FERC Technical Conference on Priorities for Addressing Risks to the Reliability of the Bulk Power System*
 - ii) Report from Board of Trustees Standards Oversight and Technology Committee Meeting and Agenda for February 16, 2011 Meeting*

- iii) Report from February 10, 2011 Standards Committee's Executive Committee Planning Session* **(To be sent separately)**

4. Standards Process

- a. Project Prioritization – Identify High Priority Projects and a plan for communicating the results with stakeholders and drafting teams *(A. Mosher)
- b. SAR for Special Protection Systems* (M. Long) — **Remand**
- c. Interpretation Procedure* (B. Li)— **Approve**
- d. Quality Review Advisory Working Group Scope*(B. Li) — **Approve (To be sent separately)**
- e. Standard Drafting Team Scope* (B. Li) — **Approve**
- f. Communications and Planning Subcommittee Activities (M. Gildea)

5. Coordination

- a. Coordination with Regulatory and Governmental Authorities (H. Hawkins)
- b. Coordination with Regional Managers (H. Schrayshuen)
 - Status of developing Rules of Procedure change for BES Definition Exception Process

6. Other Items

- a. SC vacancies
- b. Status of meeting ANSI's five year review of standards

7. Informational Items

- a. Status of all Interpretations*
- b. Drafting Team Vacancies*
- c. Upcoming Standards Project Meetings*
- d. Board of Trustees Standards Oversight and Technology Committee Mandate*

8. Executive Committee Actions (M. Long)

- a. Items expected to come before the Standards Committee's Executive Committee before March 10, 2011 **(Pre-authorize)**
 - Project 2009-01 — Disturbance and Sabotage Reporting — Authorize posting
 - Project 2007-03 — Real-time Operations — Authorize posting
 - Project 2007-09 — Generator Verification — Authorize posting
 - Project 2010-15 — Expedited Revisions to CIP-005 — Authorize posting
 - Project 2008-06 — Cyber Security 706 — Appoint replacements to the SDT

9. Adjourn

*Background materials included.

1. Administrative Items

- a. **Introductions** — Allen Mosher will lead the introduction of committee members and determine if there is a quorum.
- b. **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.
- c. **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.
- d. **Meeting Agenda** — Allen Mosher will review the meeting agenda and ask for modifications before the agenda is approved.
- e. **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) January 13, 2011 Standards Committee Meeting Minutes
- b) January 24, 2011 Standards Committee Executive Committee Meeting Minutes
- c) February 2, 2011 Standards Committee Executive Committee Meeting Minutes
- d) Project 2010-13 – Relay Loadability Order 733 – Phase II Standard Drafting Team – Accept the resignation of one member and appoint two additional members to the drafting team

3. High Priority Projects, Activities and Action Items

- a. Status of projects identified as high priority in 2010

Andy Rodriguez will review the status of high priority projects, with a focus on those projects that are experiencing issues causing project delays.

b. Project 2010-17 – Definition of Bulk Electric System

Peter Heidrich will provide an update on the status of the BES Definition Drafting Team.

c. Project 2008-06 – Cyber Security – Order 706

Howard Gugel will provide an update on the status of the Cyber Security Order 706 project.

d. SC 2011 Strategic Goals*

Allen Mosher will provide an update on recent meetings involving standards activities, including a report on each of the following meetings:

- February 8 FERC Technical Conference on Priorities for Addressing Risks to the Reliability of the Bulk Power System
- February 1, 2011 Board of Trustees Standards Oversight and Technology Committee meeting and agenda for February 16, 2011 meeting
- February 10, 2011 Standards Committee’s Executive Committee planning session

4. Standards Process

a. Project Prioritization – Identify High Priority Projects and a plan for communicating the results with stakeholders and drafting teams

Allen Mosher will lead the committee in identifying an initial set of high priority projects for 2011. The Standards Committee deferred action in making a final identification of a set of high priority projects for 2011 pending input from the February 8, 2011 Technical Conference and pending input from stakeholders and drafting teams. The project prioritization tool and reference document were posted for an abbreviated stakeholder comment period through February 10, 2011.

The committee will discuss the feedback received and will determine which projects to treat as an initial set of high priority projects, which projects to defer until resources are freed from high priority projects, and how to share its determinations with the affected drafting teams and other stakeholders.

b. SAR for Special Protection Systems

The Regional Reliability Standards Working Group submitted a SAR to address Special Protection Systems. The SAR proposes revisions to PRC-012 through PRC-015 with a focus on removing ‘fill-in-the-blank’ elements from the standards. This SAR proposes to address four standards: PRC-012, PRC-13, PRC-014 and PRC-15. The RSDP 2010-2012 includes two projects (Project 2010-03 Modeling Data and Project 2010-05 Protection Systems) that address all four of these standards in addition to other standards. PRC-013 is included, along with nine other standards that involve modeling, in Project 2010-03. PRC-012 and PRC-015 are included along with three other standards that have fill-in-the-blank requirements in Project 2010-05. In view of the overlap between this SAR and two previously-approved projects, NERC staff recommends that the SAR be remanded to the authors for additional work. The revised submission should include:

- A technical justification to support the proposed approach and explaining how the approach is superior (in terms of improving continent-wide reliability and making efficient use of drafting resources) to that in the currently approved project list
- A plan showing how the remaining standards in the two approved projects would be addressed
- Evidence that the regions have agreed on a continent-wide approach for the necessary data for each fill-in-the blank requirement.

c. Interpretation Procedure

Ben Li will provide an overview of the Interpretation Procedure drafted by the Standards Committee's Process Subcommittee and will ask for full committee approval. 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.' The document provides greater transparency to the work of interpretation drafting teams. This is an important procedure as the Standards Committee has directed staff to defer from starting work on any new interpretations until this procedure is in place.

d. Quality Review Advisory Working Group Scope

Ben Li will provide an overview of the Quality Review Advisory Working Group Scope document drafted by the Standards Committee's Process Subcommittee and will ask for full committee approval. This document identifies the purpose and scope of activities proposed for the work group assigned to address quality reviews.

e. Standard Drafting Team Scope

Ben Li will provide an overview of the updated Standard Drafting Team Scope (SDT Scope) document and will ask for full committee approval. 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.'

f. Communications and Planning Subcommittee Activities

Michael Gildea will provide an update on the plans for the March 30-April 1, 2011 Standards and Compliance workshop in Salt Lake City as well as other subcommittee activities.

5. Coordination

a. Coordination with Regulatory and Governmental Authorities

Holly Hawkins will provide an update on regulatory activities since the last Standards Committee meeting.

b. Coordination with Regional Managers

- Status of developing Rules of Procedure change for BES Definition Exception Process

Herb Schrayshuen will provide an update on the work group formed to address the Rules of Procedure change associated with the update to the definition of BES.

6. Other Items

a. SC Vacancies

The process of running special elections to fill the two, one-year terms for Segment 3 and Segment 5 that were vacated by Raj Rana and Tom Bradish has been initiated.

b. Status of meeting ANSI's five year review of standards

ANSI has a list of criteria for accreditation as a standards developer, and one criterion is a requirement to review each standard five years from the effective date of that standard. The Version 0 standards became effective in the United States on June 18, 2007, meaning that by June 18, 2012 all of the Version 0 standards must be reviewed and either reaffirmed or revised. The project prioritization tool includes a rating aimed at giving priority to revisions associated with standards that are nearing the five year review period. The project prioritization tool assigns 50 points to a project with a standard that will meet its five year review within a year; 25 points to a project with a standard that will meet its five year review within two years; 15 points to a project with a standard that will meet its five year review within three years. Several projects in the Reliability Standard Development Plan involve revisions to standards that became effective in 2007 and have not undergone revisions since that time.

7. Informational Items

- a. Status of all interpretations
- b. Drafting team vacancies
- c. Upcoming standards project meetings
- d. Board of Trustees Standards Oversight and Technology Committee Mandate

8. Executive Committee Actions — (M. Long)

- a. Pre-authorize the Standards Committee's Executive Committee to take action on the following items if they are submitted for Standards Committee action before March 10, 2011:
 - Project 2009-01 — Disturbance and Sabotage Reporting — Authorize posting
 - Project 2007-03 — Real-time Operations — Authorize posting
 - Project 2007-09 — Generator Verification — Authorize posting
 - Project 2010-15 — Expedited Revisions to CIP-005 — Authorize posting
 - Project 2008-06 — Cyber Security 706 — Appoint replacements to the SDT

9. Adjourn

Standards Committee February 11, 2011 Attendance List

Segment	Name	Company	Attendance
Chairman Segment 4-2010-11	Allen Mosher	American Public Power Association	x
Vice Chairman Segment 2-2010-11	P.S. (Ben) Li	Ben Li Associates, Inc.	x
Segment 1-2010-11	Carol Sedewitz	National Grid	x
Segment 1-2011-12	Jason Shaver	American Transmission Company, LLC	x
Segment 2-2011-12	Patrick Brown	PJM	x
Segment 3-2011-12	Ronald G. Parsons	Alabama Power Company	x
Segment 4-2011-12	Joseph Tarantino	Sacramento Municipal Utility District	x
Segment 5-2009-10	Michael F. Gildea	Dominion Resources Services	x
Segment 6-2010-11	Alice Murdock Ireland	Xcel Energy, Inc.	x
Segment 6-2011-12	Silvia Parada Mitchell (Brian Murphy as proxy)	NextEra Energy, Inc.	x
Segment 7-2010-11	Frank McElvain	Siemens Energy	
Segment 7-2011-12	John A. Anderson	Electricity Consumers Resource Council	x
Segment 8-2010-11	James R. Stanton	SPS Energy	x
Segment 8-2009-10	Michael Goggin	American Wind Energy Association	
Segment 9-2009-10	Diane J. Barney	New York State Public Service Commission	
Segment 9-2010-11	Klaus Lambeck	Ohio Public Utilities Commission	x
Segment 10-2010-11	Linda Campbell (Pete Heidrich as proxy)	Florida Reliability Coordinating Council	x
Segment 10-2009-10	Steve Rueckert	Western Electricity Coordinating Council	x
Canada	Robert Blohm	Keen Resources Ltd.	x
Secretary	Maureen Long	NERC	x

Guests from Board of Trustees Standards Oversight and Technology Committee:

- Ken Peterson

NERC Staff

- Joseph Bucciero
- Stephen Crutchfield
- Ed Dobrowolski
- Holly Hawkins
- Mallory Huggins
- Joseph Krisiac
- Al McMeekin
- Darrel Richardson
- Andy Rodriguez
- Herbert Schrayshuen
- David Taylor

Observers:

- Chuck Abell, Ameren
- Robert Canada, Southern Company Services
- Sam Ciccone, FirstEnergy
- Carter Edge, SERC
- John Hayes, SPP
- Bob Hinkel, Customized Energy Solutions
- Pat Huntley, SERC
- Anthony Jablonski, ReliabilityFirst
- Don Jones, Texas RE
- David Kiguel, HydroOne
- Laura Lee, Duke Energy
- Natalie Mazey, Texas RE
- Cynthia Pointer, FERC
- Robert Rhodes, SPP
- D. Schmidt, NPPD
- William Shultz, Southern Company Generation
- Phil Winston, Georgia Power Company

Meeting Agenda Standards Committee

Friday, February 11, 2011 | 1-5 p.m. Eastern

Dial-in Number: 866-740-1260

Participant Code: 4685998

Agenda and attachments now available at: <http://www.nerc.com/filez/scmin.html>

Note: Attachments 3diii and 4d will be sent separately.

A Word version of the agenda has been attached for your convenience.

Monica Benson

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Standards Committee 2011 Work Plan and High Priority Goals

ERO Strategic Goal 1: The ERO will have clear, results-based reliability standards that provide for an adequate level of bulk power system reliability

The ERO will develop clear mandatory reliability standards that establish threshold requirements for ensuring bulk power system reliability. The standards will be of high technical quality and be delivered in a timely and efficient manner

[Electric Reliability Organization Strategic Goals through 2015, February 2, 2011 Draft

http://www.nerc.com/docs/bot/agenda_items/7-ERO%20Strategic%20Direction%202011-2015%202-2-11.pdf

1. Policy Issues Involving BOT, FERC, NERC Executives

- a. Capitalize on relationship with the BOT Standards Oversight and Technology Committee (BOTC); ensure SC work plan aligns with the BOTC Mandate (in particular, Items 5(b)(c) and 6(g)-6(m)
- b. Prepare to implement process modifications to ROP identified in NERC's response to March 18 Order
- c. Obtain approval for modifications to criteria for VRFs and VSLs
- d. Obtain approval for modifications to ROP for SC Election Procedure
- e. Obtain approval for Results-based standards
- f. Revise the SC Charter to include responsibility for coordination with Regional Standards Group and revisions to section related to voting of officers
- g. Develop work plan mapping proposed Objectives identified in ERO Strategic Goal 1 to Standards Committee and Standards Program activities.
- h. Participate in ERO development of a revised definition of Adequate Level of Reliability with associated performance metrics.
- i. Develop proposal to integrate the consideration of reliability improvements versus costs into standard development and approval.
- j. Ensure approval of SC Project Prioritization Initiative.

2. Project Management

- a. Manage standards program capacity to increase throughput capability
- b. Track FTEs for all phases of project development
- c. Consider phasing development of some projects
- d. Address need to monitor and support the complete cycle of a project (through all regulatory approvals)

3. Standard Processes

- a. Complete implementation of results-based standards process
- b. Achieve closer alignment between Measures and RSAWs
- c. Monitor and refine the Quality Review process
- d. Improve interpretation processes
- e. Field test expedited initial standard development through use of a small professional team that may include NERC, Regional Entity, stakeholders, and contractors to test development and approval of a high priority standard within one year.

4. Coordination and Communication

- a. Tighten the working relationship with the technical committees
- b. Identify and implement improvements to standards web pages
- c. Provide quarterly webinars with updates on standards activities
- d. Formalize/use a communications network to reach smaller entities

NERC

NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

This document shows the change made on page 9 to clarify the intent of reviewing the standard's five-year review period.

Additional changes are expected to be made by the Standards Committee's Executive Committee based on stakeholder comments submitted during the public posting period.

Standards Committee Process for Standards Project Identification, Prioritization, and Monitoring

~~Draft for Comment~~

January 2011

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Objective

This document presents a Standards Committee process for identifying, prioritizing, and monitoring NERC standards development projects, taking into account the various drivers for project initiation and the industry's resource constraints. The process provides the flexibility to accommodate new projects and to adjust project priority and completion schedule in response to changing conditions.

Background

Since the startup of the ERO, the number of standards development projects has grown significantly. Coupled with the increasing number of requests for interpretations and directives issued by regulatory authorities, the industry has experienced a rapid and sustained increase in standards development related workload. The standards development process allows for any individual to propose a new project or request an interpretation. While the Standards Committee can exercise its discretion to delay the start of any project to cope with increased workload and to better manage standard projects to achieve timely completion, additional flexibility beyond just withholding the start of a project is needed.

At its April 2010 meeting, the NERC Standards Committee endorsed a proposal to develop a structured process to assist in managing standards development projects from the project planning stage through submission of a completed standard to the NERC Board of Trustees. The process outlined in this document takes into account industry resource constraints and changing conditions as new projects emerge and as issues are encountered during the course of standard development.

1. Identifying the List of Standards Projects

In general, standard projects may be initiated for a variety of reasons, including:

- a. **Periodic Review** — To meet the five-year standard revision cycle requirement
- b. **Reliability Need** — Industry participants, NERC staff or the Board of Trustees identify the need for a new standard or revision to an existing standard to meet reliability need or fill a reliability gap
- c. **Clarity, Quality and Coordination**— Industry participants, NERC and Regional Entity staff identify quality and clarity gaps in NERC's existing reliability standards that need to be remedied to ensure consistent industry compliance. Regional Entities and stakeholders may propose continent-wide NERC standards that will avoid the need to develop regional standards which will be phased out when the NERC standards are put in place
- d. **Interpretations** — Industry participants submit formal requests for interpretation that may identify a gap or deficiency in an existing standard
- e. **Regulatory Directives** — FERC or Canadian regulatory authorities may direct the ERO to make changes to standards, to incorporate suggested improvements, address deficiencies in existing NERC standards, or respond to new energy policies.

DRAFT for Comment: Standards Committee Process for Standards Project Identification, Prioritization, and Monitoring

Plans for developing standards to take care of the periodic review requirement (Driver (a), above) can be developed with some degree of accuracy. However, the scope and complexity of project plans for standards initiated in response to the other four drivers are much harder to predict. It is therefore very difficult to develop a standards development work plan that accounts for all new projects to be initiated in a future year with any degree of accuracy. However, for planning purposes, a baseline list of projects can be developed for a future year based on:

- a. Current projects expected to continue into the next year
- b. New projects to address the five-year periodic review requirement expected within the next year.

As a first pass, a baseline list of standard projects can be developed and prioritized without regard to resource constraints. A cutoff line will then apply to the baseline list using the resource constraint assumptions presented in Section C, below.

2. Listing and Prioritizing Baseline Projects

Some standard projects need to be placed at a higher priority than the others due to the urgency or significance of the associated drivers for development or revision. For example, revising a standard to fill a reliability gap should normally have a higher priority than revising a standard to improve quality or clarity. Similarly, removing ambiguity (which itself may be a form of reliability gap) from a standard that has a large number of violations would normally have a higher priority than combining two or more standards to remove overlaps and consolidate similar or related requirements.

However, the rationale presented in the above two examples only represents a general principle, which cannot be applied objectively to develop a standard project priority list that balances all interests, unless a systematic approach is developed to provide a balanced weighting of each of the development drivers outlined above. The Standards Committee, in trying to prioritize projects in the Standards Development Work Plan for 2011-2013, adopted the concept of using a project prioritization tool to develop standard project priorities for the coming year. (See Appendix A)

The use of a “*prioritization tool*” is essential to ensuring all the drivers for new projects are fully considered in the allocation of NERC and industry resources between each of the projects in NERC’s Reliability Standards Development Plan. With prior inputs from all concerned parties on the prioritization criteria and associated weighting of these criteria, the tool will establish a relative priority score for each project, irrespective of who and why the project is proposed. This is particularly important to avoid arbitrary or highly subjective decisions on which projects should be placed at a higher priority than the others.

Ultimately the prioritization tool described below is just that – a tool to guide informed decision making by the NERC Standards Committee and the NERC Board of Trustees on the relative priority of proposed and ongoing standards development projects.

3. Developing the Project Cut-off Line Based on Resource Constraints

The baseline project list represents a snapshot of the projects that the Standards Committee needs to manage in the current year. Recognizing that the resources needed at NERC and in the industry for standards development are not unlimited, the Standards Committee must determine which ongoing projects should be directed to continue development work to ensure timely completion, which new projects must be initiated to address NERC reliability objectives and meet regulatory deadlines, and when necessary, which standard development projects should be placed on hold until additional NERC and industry resources become available.

NERC has a finite annual budget and the industry has finite resources; together these factors limit the number of standards development projects that can be worked on concurrently. While an increase in NERC staff resources may address certain development bottlenecks, there is no clear indication or assurance that a corresponding increase in industry resources to participate in the drafting, reviewing, commenting and balloting the standards is forthcoming. The Standards Committee must consider these resource constraints when planning for the number of projects that can be effectively managed in any given time period.

There are no fixed rules or formulas with which to estimate staff and industry resource requirements or constraints for standards development. For a baseline estimate, past experience is the best source of information. Recent Standards Committee and NERC staff experience generally supports the conclusion that NERC and the industry can manage the development of no more than ten to twelve standards projects under active development at any one time. This judgment of course depends on the complexity of these projects and considerations as to whether projects draw upon the same subject matter expert (“SME”) resource pool during the same period. Nonetheless, our informed judgment is that attempts to develop more than ten or twelve projects during the same period will result in an actual loss of throughput and/or a reduction in standards quality.

4. Adding New Projects and Adjusting Project Priority

The baseline list does not factor in new projects that may emerge during a given project development year due to the other four drivers (b) through (e) in Section A. This uncertainty is particularly difficult to address with respect to regulatory directives. When new projects emerge and are evaluated, the Prioritization Tool is designed to score each new project on a stand-alone basis. The resulting point scores may indicate that some new projects should have priorities higher than other projects on the baseline list that are currently under active development. It is generally assumed that ongoing projects should have highest priority and should continue development work regardless of other projects’ emergence. Unfortunately, both emerging reliability issues and regulatory directives may lead the Standards Committee to direct that one or more projects that are currently above the cutoff line must now be put on hold until resources become available and development work can be restarted.

DRAFT for Comment: Standards Committee Process for Standards Project Identification, Prioritization, and Monitoring

The Standards Committee will decide if any of the ongoing projects should be stopped or deferred and advise the respective Standard Drafting Teams (SDTs) accordingly, or develop other remedial actions to launch the new projects and continue with all ongoing projects. If in its judgment that none of the ongoing projects should be stopped and the new projects should be launched but no resource relief can be provided, the Standards Committee will bring the situation along with options and recommendations to the Board of Trustees for its attention and direction.

5. Developing Projects Schedules

The time required to complete a standard development project varies from one project to another depending on the scope of work and the complexity of the issues to be addressed. While the SAR proponents generally have a good grasp of the time required to complete a standard project from the formation of the SDT to balloting, the SDT itself may have more intimate knowledge of the technical issues involved and hence a better feel of the time needed to complete its assigned project. Further, since SDT members are industry volunteers that are committed to their projects, it is desirable and appropriate that the SDTs provide inputs into their project schedules and milestone events.

In general, NERC staff together with the Standards Committee will develop an initial project schedule based on past experience, complexity of the standards and other considerations such as available expertise, compliance deadlines, etc. To the extent possible, the SDT should be given the opportunity to review and adjust the project schedule at its initial meetings, and present a revised schedule, where appropriate, to the Standards Committee for consideration. Once approved by the Standards Committee, the SDT will take ownership of the project and its schedule, and monitor and report project progress to the Standards Committee on an as-needed basis.

6. Monitoring Projects

The SDTs are responsible for monitoring all milestone events and completion schedules for their assigned projects. If at any time the milestone dates for a project are expected to be missed, the responsible SDT should report to the Standards Committee, and present options to put the project back on schedule or request accepting delays with supporting rationale. Where necessary, the SDT may seek the Standards Committee's endorsement or advice for other remedial actions including additional resource support, resolution of contentious issues, accepting an extension of the project schedule, or other actions deemed appropriate.

Such reporting should be made at least two months prior to a milestone date in danger of being missed, and at least four months prior to the scheduled completion date (end of re-circulation balloting) that is in danger of being missed. The Standards Committee will act upon receiving a report from the SDT of potential slippage. In its deliberation, it will assess impacts of implementing any remedial actions on the status of other ongoing or pending projects.

DRAFT for Comment: Standards Committee Process for Standards Project Identification, Prioritization, and Monitoring

From time to time, the Standards Committee may request the Chair or a representative of an SDT to report on the progress of a project even there is no indication of a potential slippage.

7. Project Identification, Prioritization and Management Flow Diagram

A flow diagram showing the process described in A to F, above, is shown in Figure 1, attached.

8. Project Prioritization Tool Description

The intent of the Prioritization Tool is to allow for a consistent relative ranking of projects based upon inputs from a variety of sources. An example of the tool is contained in Attachment A of this document. The working version of the tool is maintained by the Standards Committee Process Subcommittee. The tool is a spreadsheet containing information and parameters described as follows:

Rows

- Row 1 Contains general information and macro buttons.
- The *Click Here to Sort Projects by Priority* macro button simply sorts rows 3 through 250 in descending order of column E (Overall Priority Ranking) and re-establishes the priority number listed in column B (Priority Number).
- The *Click Here to Insert a Row* macro button shifts all existing data down one row to insert a blank row in row 3. Data will then need to be entered into the new row.
- Row 2 Contains the column headers.

Columns

- Column A Blank.
- Column B **Priority Number:** The relative ranking of each project as a result of the data input and summed in Column E (**Overall Priority Rating**).
- Column C **Project Number and Name**
- Column D **Short Description** (of the Project)
- Column E **Overall Priority Rating** – The result of summing the inputs in columns F through O. If column N (**Project Percent Complete**) = 100, then E = 0 so that all completed projects fall to the bottom of the priority list.
- Column F **Meet a time-constrained regulatory directive** due in:
- Less than 12 months = 100
- 13 to 18 months = 75
- Greater than 18 months = 50
- Column G **Address regulatory directives without a time-constraint:**
- Directive Index Sum for Project times two, range 0 to 50

DRAFT for Comment: Standards Committee Process for Standards Project Identification, Prioritization, and Monitoring

Directive Index Calculation:

Q1 - The directive relates to which of the following (choose one or more)?

- Bulk electric system instability – 10 points
- Separation/Islanding – 10 points
- cascading sequence of failures – 10 points
- Items from the Blackout Report – 9 points
- Regulator Critical – 9 points
- Other operational or planning issues – 4 points
- Administrative issues – 0 points

Q2 - What kind of improvement to BPS reliability will the directive, if addressed, provide?

- Significant – 10 points
- Moderate – 8 points
- Incremental – 6 points
- Minimal – 4 points
- None – 0 points

Take the sum of the Q1 responses, up to a maximum of 20. Add the Q2 response. Then divide by 30. The result is the Individual Directive Index.

$$IDI = (\text{MIN}(20, \text{SUM}(Q1)) + Q2)/30$$

To determine the Project Directive Index, add all the IDIs for the directives assigned to a specific project. Multiply it by two, up to a maximum of 50.

$$PDI = \text{MIN}(50, \text{SUM}(IDI_1 \dots IDI_n))$$

Column H ***Fill an identified gap in reliability:***

Severe or widespread risk to reliability = 100

Moderate and widespread = 50

Moderate risk or scope = 25

Small risk = 0

Column I ***Improves existing reliability standards:*** The project includes changes to existing reliability standards or includes new requirements that would improve the overall reliability of the Bulk Electric System.

Significantly = 100

Moderately = 75

DRAFT for Comment: Standards Committee Process for Standards Project Identification, Prioritization, and Monitoring

Incrementally = 50

Minimally = 25

None = 0

Column J ***Coordinate changes with another project:*** Each project that is working in coordination with another project is assigned the same value in the prioritization tool. Coordination is occurring or is needed with another project:

Immediately = 50

In 1 to 2 years = 40

In more than 2 years = 30

None needed = 0

Column K ***Scheduled for its 5 year review in¹:***

1 year or less = 50

1 to 2 years = 25

2 to 3 years = 15

Over 3 years = 0

Column L ***Address compliance issues:*** Value assigned based upon NERC audit team experience during audits. Consideration also giving to the number of registered entity complaints about the standards addressed in this project. range 0 to 50

Column M ***Address failed interpretation or SDT inability to develop and interpretation:***

Major gap = 50

Moderate gap = 40

Administrative issues = 10

None = 0

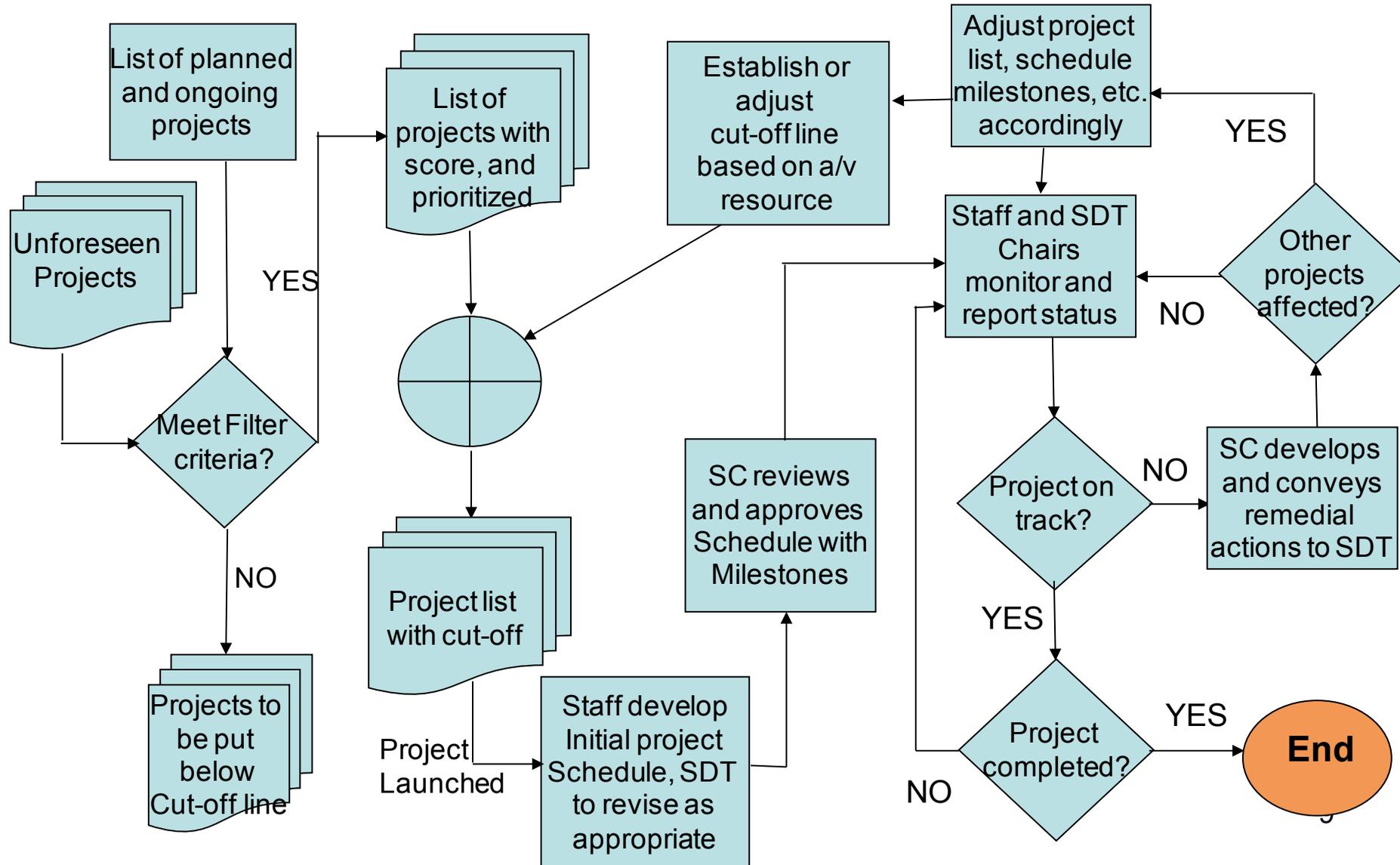
Column N ***Project Percent Complete:*** The percentage complete of the project per the NERC @Task software ranging from 0 to 100.

Column O ***Other Factor:*** Value assigned by the Standards Committee and must be accompanied by an explanation of the relative value provided in Column P.

Column P Explanation: the explanation of the value set in column O: Other Factor.

¹ The rating assigned advises the Standards Committee when a standard is close to its five-year review date; the rating does not indicate whether the standard will meet this five-year review requirement.

Figure 1: Project Identification, Prioritization and Monitoring Flow Chart



Attachment A: Prioritization Tool

NERC Standards Committee
Project Prioritization Worksheet

STANDARDS COMMITTEE Reliability Standard Project Prioritization				(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)
						Click Here to Sort Projects by Priority		Click Here to Insert a Row		Cells with this color are blank and need a value entered.				
Priority Number	Project Number and Name	Short Description	Overall Priority Rating	Meet a time-constrained regulatory directive due in: (100) < 12 mo. (75) < 18 mo. (50) > 18 mo.	Address regulatory directives without a time-constraint (Directive Index for Project times two, with 0 to 50 range)	Fill an identified gap in reliability 100 = severe and widespread risk to reliability 75 = moderate and widespread 50 = moderate risk or scope 25 = small risk 0 = none	Improves existing reliability standards: 100 = Significantly 75 = Moderately 50 = Incrementally 25 = Minimally 0 = none	Coordinate changes with another project: 50 = Immediately 40 = in 1 to 2 years 30 = in more than 2 years 0 = none needed	Scheduled for its 5 year review in: 50 = 1 year or less 25 = 1 to 2 years 15 = 2 to 3 years 0 = over 3 years	Address compliance issues (0 to 50)	Address failed interpretation or SDT inability to develop an interpretation 50 = major gap 25 = moderate 10 = admin 0 = none	Project Percent Complete per NERC @Task Software (0 to 100)	OTHER FACTOR (Explanation for the rating must be indicated in the column to the right) (0 to 100)	Explanation
1	Project x	Description of Project X	371	0	50	75	100	0	25	0	50	71	0	
2	Project Y	Description of Project Y	363	0	8	50	100	0	25	50	50	55	25	

NERC

NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

This redline version of the Charter shows the changes that were made to the document based on the discussion and motion during the February, 2011 Standards Committee meeting.

Page 3 - Removed requirement for QRAWG to review standards posted for formal comment without a concurrent ballot

Pages 3-4 – Added the list of actions the QRAWG may take relative to approving the posting of a draft standard

Page 4 – Added a sentence to indicate that when making appointments, diversity should be considered

Page 4 – Changed the requirement to complete training to a recommendation

Page 5 – Clarified that the SC chair and vice chair appoint the QRAWG chair

Quality Review Advisory Working Group Charter ~~(DRAFT)~~

February 2011

to ensure
the reliability of the
bulk power system

Approved by the NERC Standards Committee xx/xx/xxxx

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www.nerc.com

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Purpose

The purpose of the Quality Review Advisory Working Group (QRAWG) is to act on the NERC Standards Committee's behalf in reviewing NERC Standard Development Projects recommended for ~~formal comment periods or for~~ concurrent formal comment and ballot periods and successive ballot periods, and approving posting of the relevant materials. NERC Standard Development Projects include new and revised Reliability Standards, formal Requests for Interpretation and new and revised definitions of terms contained in the NERC Glossary of Terms.. The QRAWG's reviews will include an evaluation of the Standard Drafting Team's incorporation of the recommendations made by the Quality Review Teams. These activities will be conducted in accordance with the latest approved version of the NERC Standard Processes Manual and the Quality Review Process with the support of the NERC staff to verify that standards posted for stakeholder comment meet the minimum quality attributes established by the Standards Committee.

Activities

1. Coordinate review timelines with NERC standards staff
 - a. Develop QRAWG work plan based on projected timelines
2. Review all new and revised Reliability Standards recommended for ~~formal comment periods or for~~ concurrent formal comment and ballot periods and successive ballot periods, all responses to formal Requests for Interpretation and new and revised definitions of terms contained in the NERC Glossary of Terms
 - a. Review the recommendations made by the quality review teams against the final draft of the standard and associated documents, the formal interpretation or the new or revised definition provided by the drafting team following the drafting team's consideration of the observations made by the quality review team.
3. Approve posting of the new or revised standards for ~~formal comment or for~~ concurrent formal comment and ballot periods and successive ballot periods based on a review of the final draft of the documents submitted by drafting teams compared to the observations of the quality review team. The QRAWG may take any of the following actions:
 - If the proposed standard, implementation plan, VRFs or VSLs pass this review, authorize posting the proposed standard, implementation plan, VRFs and VSLs for a formal comment period, ballot (for the standard and implementation plan), and non-binding poll (for VRFs and VSLs) as soon as the work flow will accommodate.
 - If any of the documents do not meet the specified criteria, remand the documents to the drafting team for additional work. If the standard is not clear and enforceable as written, or if the standard or its VRFs or VSLs do not meet the specified criteria, return the

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standard to the drafting team with specific identification of any requirement that is deemed to be unclear or unenforceable as written.

- If the standard is outside the scope of the associated SAR, direct the team to either revise the standard so that it is within the approved scope, or submit a request to expand the scope of the approved SAR.

3.—

4. The QRAWG will seek Standards Committee ratification of the posting approvals at the next regularly scheduled Standards Committee meeting.

Reporting

The Quality Review Advisory Working Group reports to the NERC Standards Committee and has the responsibility to keep the Committee informed regarding the quality review process and posting approvals.

Membership

- The QRAWG membership is made up of five members of the NERC Standards Committee. When making appointments, diversity in representation should be considered.
- Each Standards Committee member is required to serve one three month term on the QRAWG. QRAWG members' terms are staggered so that one of the member positions will be refilled for each the first three terms of the year, and two positions refilled for the last term. Membership terms start on the first day of each calendar quarter; January 1, April 1, July 1, and October 1.
- The QRAWG membership rotation will be established by the SC officers and a QRAWG chair for each rotation will be appointed by the SC officers.
- Each QRAWG member ~~must~~should complete the required training prior to participating in QRAWG activities. Any member of the QRAWG who chooses to resign from the working group shall submit a written resignation to the officers of the Standards Committee.
- Any QRAWG member who resigns from the Standards Committee for any reason will be removed from the QRAWG as well.
- Changes to the approved rotation schedule to fill unexpected vacancies shall be made by the officers of the Standards Committee.

Officers

1. QRAWG Chair

Quality Review Working Group Charter ~~(DRAFT)~~
February 2011

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- a. The QRAWG chair is a voting member of the working group appointed by the chair and vice chair of the Standards Committee. In addition to the duties, rights, and privileges discussed elsewhere in this document, the working group chair has the responsibility to:
 - i. Provide general supervision of working group activities
 - i. Develop working group agendas, and rule on any deviation, addition, or deletion from a published agenda
 - ii. Preside at working group meetings
 - iii. Manage the conduct and progress of all working group meetings in accordance with parliamentary procedure
 - iv. Act as spokesperson for the working group in internal and external forums, as approved by the Standards Committee
 - v. Report working group activities to the NERC Standards Committee
 - vi. Report all views and objections when reporting on items reviewed by the working group
 - vii. Perform other duties as directed by the NERC Standards Committee

2. QRAWG Secretary

- a. NERC provides an appropriate staff member to serve as the non-voting secretary of the committee. The QRAWG secretary has the responsibility to:
 - i. Serve under the direction of the working group chair, and be guided by the decisions of the working group
 - ii. Conduct the day-to-day operation and business of the working group
 - iii. Schedule all working group meetings
 - iv. Prepare, distribute, and post notices of working group meetings, record meeting proceedings, and prepare, distribute, and post meeting notes
 - v. Maintain a record of all working group proceedings, voting records, and correspondence
 - vi. Maintain the working group's membership records

Members' Responsibilities

QRAWG members have the responsibility to:

Quality Review Working Group Charter ~~(DRAFT)~~
February 2011

- a. Represent the Standards Committee
- b. Apply knowledge and expertise of the reliability standards development and quality review processes in making recommendations
- c. Provide feedback on matters presented to the QRAWG for review
- d. Respond promptly to all working group requests for meetings, reviews, comments, and voting
- e. Assist in educating the industry regarding the reliability standards development and quality review processes

Meetings

1. Meetings of the working group shall be open to all interested parties. Only voting members may act on items before the working group. Meeting notices and agendas shall be publicly posted on the NERC Web site on the same day they are distributed to working group members. Final notes of working group meetings shall be publicly posted on the NERC Web site the day after their approval by the working group. Notices shall describe the purpose of meetings and shall identify a readily available source for further information about the meeting.
2. The working group shall hold meetings as needed and may use conference calls or e-mail to conduct its business.
3. The secretary shall provide an agenda with a written notice (letter, facsimile, or e-mail) for working group meetings no less than five business days before a proposed meeting.
 - a. The agenda shall include background material for all agenda items requiring a decision or vote. The agenda shall be posted on the NERC Web site the same day it is distributed to working group members.
 - b. Items not in the agenda that require a vote cannot be added at a meeting without the unanimous consent of the members present. If such a matter comes up, it may also be deferred to the next meeting so that working group members have time to review the item prior to voting.
4. In the absence of specific provisions in this charter, the working group shall conduct its meetings guided by the most recent edition of *Robert's Rules of Order, Newly Revised*
5. A quorum requires a simple majority of the working group voting members.
6. Voting may take place during regularly scheduled meetings or may take place through electronic means.
7. Approval of any working group action requires a simple majority of the votes cast.

Each individual member's vote for each action taken shall be included in the notes of each meeting.

~~Appendix 3B~~

NERC

NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

Procedures for Election ~~Procedure~~
~~for~~ of Members of the **NERC**
Standards Committee
Draft

Formatted: Centered

to ensure
the reliability of the
bulk power system

Effective January 18, 2007

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Election of Members of the NERC Standards Committee Procedures

Purpose

This procedure is provided for use by the NERC Standards Registered Ballot Body to facilitate the election of industry stakeholder segment (Segment)¹ representatives to the NERC Standards Committee. This procedure is a default process that is available, on a voluntary basis, for the benefit of all Segments of the Registered Ballot Body. The use of alternative procedures is described in a later section.

Responsibilities for This Procedure

The NERC Board of Trustees provides oversight of the election of Standards Committee members. The Board provides the authority for approval of this procedure and any revisions thereto, and monitors any Segment-specific procedures that may be developed to ensure they are consistent with established principles.

The Standards Committee shall be responsible for advising the Board regarding the use of this procedure or any revisions to the procedure.

Each Registered Ballot Body entity shall be responsible for actively participating in the nomination and election of Standards Committee representatives for each Segment in which the entity is a member.

The Standards Process Manager (SPM) shall administer the implementation and maintenance of this procedure.

Guiding Principles

This procedure supports a standards development process that is open, inclusive, balanced, and fair. This procedure shall be interpreted in a manner that is consistent with NERC's mission of promoting the reliability of the North American bulk electric systems, NERC Reliability Standards Development Procedure, NERC's Reliability and Market Interface Principles, and maintaining good standing as a standards developer accredited by the American National Standards Institute.

Standards Committee Membership

Each valid² Segment shall be eligible to elect two voting members to represent the Segment on the Standards Committee. A registered entity may provide only one Standards Committee member, irrespective of the number of segments in which the entity is registered. Each representative that is elected by a Segment to fill one of those positions shall serve on behalf of the Registered Ballot Body entities in that Segment. An eligible position on the committee that is not filled by a Segment shall be shown as vacant and shall not be counted in the determination of a quorum. Each elected member of the Standards Committee shall carry one vote.

¹ Industry stakeholder Segment criteria and a list of entities in the NERC Standards Registered Ballot Body are provided [at on the NERC web site.](http://www.nerc.net/standards/ballotbody.com/fileUploads/File/Standards/Appendix_B_Segment_Criteria_01Nov06.pdf)
http://www.nerc.net/standards/ballotbody.com/fileUploads/File/Standards/Appendix_B_Segment_Criteria_01Nov06.pdf. In this procedure, the term "Segment" shall mean one of the currently defined industry stakeholder Segments.

² Validity is determined by established Segment criteria, including the minimum number of entities in a Segment.

Election of Members of the NERC Standards Committee Procedures

Standards Committee Membership Term

The Standards Committee reports to the NERC Board of Trustees and is responsible for managing the NERC Reliability Standards Development Procedure and other duties as assigned by the Board.

The Standards Committee also serves for the benefit of the members of the Registered Ballot Body and is accountable to them through election by the Segment representatives. Standards Committee membership shall be for a term of two years, with members' terms staggered such that half of the member positions (one per Segment) are refilled each year by Segment election. Prior to the end of each term, nominations will be received and an election held in accordance with this procedure, or a qualified Segment procedure, to elect Standards Committee representatives for the next term. There is no limit on the number of two-year terms that a member of the Standards Committee may serve, although the setting of limits in the future is not precluded.

Standards Committee Officers

~~At the beginning of each annual~~ Approximately 90 days prior to the end of each term, the Standards Committee shall ~~as a first order of business~~ elect a chairman and vice chairman to serve as officers and preside over the business of the committee for the following year. The officers shall serve a term of one year, without limit on the number of terms an officer may serve, although the setting of limits in the future is not precluded. The chairman and vice chairman shall serve as non-voting members of the Standards Committee. The SPM serves as a non-voting member and secretary of the Standards Committee.

Standards Committee Scope and Conduct of Business

The Standards Committee conducts its business in accordance with a separate scope document, the Reliability Standards Development Procedure, other applicable NERC procedures, and procedures that the committee itself may develop. This procedure addresses the nomination and election of members of the committee and is not intended to otherwise establish or limit the scope, authorities, or procedures of the committee.

Segment Representative Nominations

Approximately 90 days prior to the start of each term, the SPM shall request nominations to fill Standards Committee positions that will become open with the expiration of the current term.

Notice of the nominations process shall be announced to the Registered Ballot Body and to others that may be interested in standards for the reliability of North American bulk electric systems. The SPM shall post the announcement on the NERC web page and distribute the announcement to applicable NERC e-mail lists. The announcement shall include a brief description of the responsibilities of the Standards Committee and estimates of the work effort and travel expected of Standards Committee members.

Any person or entity may submit a nomination. Self-nominations are encouraged.

To be eligible for nomination, a nominee shall be an employee or agent of an entity registered in the applicable Segment. To allow verification of affiliation, a nominee shall be a registered User

Election of Members of the NERC Standards Committee Procedures

in the NERC Registered Ballot Body. It is not required that the nominee be the same person as the entity's Registered Ballot Body representative for that Segment.

The SPM shall provide a method for the submittal of nominations, preferably an on-line nominations form using Internet protocols. The nomination form shall request the following information and other information that the SPM deems necessary to completing the election process:

Nomination Information

1. Segment for which the nomination is made.
2. Nominee name (selected from list of registrants).
3. Nominee job title.³
4. Nominee organization (must be an entity registered in the designated Segment).³
5. Nominee contact information: telephone, fax, e-mail, and mailing address.³
6. Nominee brief summary of qualifications related to serving on the Standards Committee (limited to a 3,000-character text box — approximately 500 words or one-page, single-spaced).
7. Indication (check box) that the nominee has been contacted and is willing to serve on the Standards Committee for a two-year term.
8. Person or entity making the nomination.
9. Contact information for person or entity making nomination: contact name, organization, telephone, fax, e-mail, and mailing address.

The SPM shall verify that each nomination received is complete and valid. The SPM may follow up with nominees to collect additional information.

In the event that multiple nominations are received for persons from a single entity within a Segment, that entity's representative shall determine which person will be the nominee from that entity.

The SPM shall post each nomination that is complete and valid. Each nomination shall be posted as soon as practical after it has been verified.

The nomination period shall remain open for 21 calendar days from the announced opening of the nominations, at which time the nominations shall be closed.

Segment Representative Elections

The SPM shall prepare a slate of nominees for each Segment. The Segment slate shall consist of all valid nominations received for that Segment, without prejudice in the method of listing the slate.

³ Information items 3–5 are provided automatically from the nominee during registration.

Election of Members of the NERC Standards Committee Procedures

The SPM shall provide an electronic ballot form for each Segment, listing the slate of nominees. Each Registered Ballot Body entity in a Segment may cast one vote per Standards Committee member position being filled (i.e. one vote if one position is being filled and two votes if two positions are being filled). In the case that an entity casts two votes within a Segment, each vote must be for a different candidate in that Segment (i.e. an entity cannot vote twice for a nominee within a Segment).

This ballot procedure is repeated for each Segment in which an entity is a member of the Registered Ballot Body. The ballot for each Segment is conducted independently from the ballots of other Segments. Only the entities in the Registered Ballot Body for a Segment may vote in that Segment.

The ballot period shall be announced to the Registered Ballot Body and to others that may be interested in standards for the reliability of North American bulk electric systems. The SPM shall post the announcement on the NERC web page and distribute the announcement to applicable NERC e-mail lists.

The ballot period shall remain open for ten calendar days from the announced opening of the ballot period, at which time the ballot period shall be closed.

Votes may be cast by the Registered Ballot Body Representative for each entity, or a proxy designated by the representative. An entity may vote in each Segment in which it is registered.

Ballot results shall remain confidential during the ballot period. As soon as practical after the close of the ballot period, the SPM shall publicly post the election results for each Segment, (i.e. the names of elected members and slates for any run-off elections that may be required).

Election Formula

The elected Standards Committee member for each Segment shall be the nominee receiving the highest total number of votes, with the condition that the nominee must receive a vote from a simple majority of the entities casting a vote in that Segment. If the election is being held for two positions in a Segment, the nominees receiving the highest and second highest number of votes shall be elected, with the condition that each nominee must receive a vote from a simple majority of the entities casting a vote in that Segment⁴. In this case, if only one of the two nominees meets these criteria, then that nominee shall be deemed elected.

In the event that the election is incomplete in a Segment's first ballot (no candidate or only one candidate meets the criteria), then a second ballot will be conducted in that Segment, using a process similar to that previously described. If two positions are remaining to be filled in the second ballot, the slate of candidates shall consist of the four candidates receiving the highest number of votes in the first ballot. If one position is remaining to be filled in the second ballot, the slate shall consist of the two candidates receiving the highest number of votes. A candidate who was elected in the first ballot is considered elected and is excluded from the second ballot. In the event of a tie that precludes choosing the top four (or two) candidates, the slate will be expanded to include those candidates that are tied.

⁴ Each entity in the Segment is allowed to cast two votes. This criterion means that more than fifty percent (>50%) of the entities cast one of their votes for that nominee.

Election of Members of the NERC Standards Committee Procedures

After the second ballot in the Segment, the candidate(s) receiving the highest number of votes shall be elected to fill the remaining position(s) in that Segment.

In the event of a tie between two or more candidates after a second ballot, a run-off ballot may be used to break the tie. The position shall remain vacant until the tie is broken by the Segment.

Representation from Canada

To achieve balance of representation between the United States and Canada on the basis of net energy for load (NEL), the following special procedure shall apply:

1. If any regular election of Standards Committee members does not result in at least two Canadian members being elected, the Canadian nominees receiving the next highest percentage of votes within their respective Segment(s) will be designated as members, as needed to achieve a total of two Canadian members;
2. Each such specially designated Canadian member of the Standards Committee shall have a one year term, as the Standards Committee holds elections each year and special designation of members should not interfere with the regular election process;
3. If any segment, as defined in Appendix B of the Reliability Standards Development Procedure, has an unfilled position following the annual Standards Committee election, the first preference is to assign each specially designated Canadian representative to an unfilled segment for which he or she qualifies;
4. Any such specially designated members of the Standards Committee shall have the same rights and obligations as all other members of the Standards Committee;
5. For the purpose of the Standards Committee election process, Canadian representation shall be defined as: any company or association incorporated in Canada, any agency of a federal, provincial, or local government in Canada, or any person with Canadian citizenship.

Special Elections

~~Between regularly scheduled elections, a Segment may hold a special election to replace an existing member or fill a vacant position. A special election request may be requested by petition of ten entities or 25% of the entities registered in a Segment, whichever is less. It is the responsibility of the requester(s) to collect the requisite number of signatories to the petition and submit it to the SPM.~~

~~If SPM receives a valid petition for a special election, the SPM shall request that the Segment ratify the need for a special election. Ratification requires approval by a two-thirds majority of the entities registered in the Segment. If the request is ratified by the Segment, the SPM shall initiate the request for nominations and election as described later in this procedure.~~

The Standards Committee's officers shall determine the need for a special election to fill a vacant Standards Committee position between regular elections considering, among other things, the timing of the last and the next regular election. If a need is determined, the Standards Committee officers shall communicate a request to the Director of Standards, who shall initiate a process to conduct the election. The SPM shall post a request for nominations on the NERC web page and distribute the announcement to applicable NERC e-mail lists, e.g. the ballot body of the

Election of Members of the NERC Standards Committee Procedures

Segment(s) involved. The election will be held 30 days after the announcement and shall use the same election process and formula employed in regular elections. The Board of Trustees shall be notified of the election results.

Alternative Procedures

This procedure is provided as the default method for Segments to elect representatives to the Standards Committee. Alternative procedures may be used by a Segment, or jointly by several Segments. Such a procedure shall be consistent with the principles noted in this document. Such a procedure shall be ratified by at least two-thirds of the registered entities in each Segment in which it will be applied, and is subject to review by the NERC Board.

~~CH114513839.1~~

Agenda Standards Committee

Thursday, March 10, 2011 | 1–5 p.m. Eastern

Dial-in Number: 866-740-1260

Participant Code: 4685998

1. Administrative Items

- a. Introductions and Quorum* (A. Mosher)
- b. Conference Call Reminder
- c. NERC Antitrust Compliance Guidelines* (M. Long)
- d. Meeting Agenda — **Approve** (A. Mosher)
- e. Waiver of 5-day Rule — **Approve** (A. Mosher)

2. Consent Agenda

- a. February 11, 2011 Standards Committee Meeting Minutes* — **Approve**
- b. February 10, 2011 Standards Committee Executive Committee Meeting Minutes* — **Ratify**
- c. February 22, 2011 Standards Committee Executive Committee Meeting Minutes* — **Ratify**
- d. Project 2008-06 – Cyber Security Order 706 – Accept the resignation of two members and appoint two replacements to the drafting team* **Confidential (To be sent separately)** — **Appoint**
- e. Project 2009-03 – Emergency Operations - Accept the resignation of one member and appoint a replacement to the drafting team* **Confidential (To be sent separately)** — **Appoint**

3. High Priority Projects, Activities, and Action Items

- a. Status of Projects Identified as High Priority* (A. Rodriguez)
- b. Progress in Communicating Project Priority with Drafting Teams (A. Mosher and H. Schrayshuen)
- c. SC 2011 Strategic Goals* (A. Mosher)

4. Standards Process

- a. Interpretation Procedure* **(To be sent separately)**— **Approve** (B. Li)

- b. Draft SC Charter Revisions* (M. Long)
- c. Quality Review Advisory Group assignments
- d. Volunteers for Standards Committee Subcommittees*

5. Coordination

- a. Coordination with Regulatory and Governmental Authorities (H. Hawkins)
- b. Coordination with Regional Managers (H. Schrayshuen)
 - Status of developing Rules of Procedure change for BES Definition Exception Process

6. Informational Items

- a. Status of all Interpretations*
- b. Drafting Team Vacancies*
- c. Hotel Information for April Standards Committee Meeting*
- d. NERC Strategic Goals 2011-2014*
- e. Upcoming Drafting Team Meetings*

7. Executive Committee Actions (M. Long)

Items expected to come before the Standards Committee's Executive Committee before April 13-14, 2011 (**Pre-authorize**)

- Project 2007-03 — Real-time Operations — Authorize posting
- Project 2007-09 — Generator Verification — Authorize posting
- Project 2010-15 — Expedited Revisions to CIP-005 — Authorize posting

8. Adjourn

*Background materials included.

1. Administrative Items

- a. **Introductions** — Allen Mosher will lead the introduction of committee members and determine if there is a quorum.
- b. **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.
- c. **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.
- d. **Meeting Agenda** — Allen Mosher will review the meeting agenda and ask for modifications before the agenda is approved.
- e. **Waiver of 5-day Rule** — If there are items submitted to the Standards Committee for action with less than five 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

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. February 11, 2011 Standards Committee Meeting Minutes* — **Approve**
- b. February 10, 2011 Standards Committee Executive Committee Meeting Minutes* — **Ratify**
- c. February 22, 2011 Standards Committee Executive Committee Meeting Minutes* — **Ratify**
- d. Project 2008-06 – Cyber Security Order 706 – Accept the resignation of two members and appoint two replacements to the drafting team
- e. Project 2009-03 – Emergency Operations – Accept the resignation of one member and appoint a replacement to the drafting team

3. High Priority Projects, Activities and Action Items

a. Status of projects identified as high priority

Andy Rodriguez will review the status of high priority projects, with a focus on those projects that are experiencing issues causing project delays.

b. Progress in Communicating Project Priority with Drafting Teams (A. Mosher and H. Schrayshuen)

Allen Mosher and Herb Schrayshuen will review the work done to contact the drafting team chairs working on projects that were not identified as “high priority.” A good faith effort was made to reach the chairs and provide an opportunity for each team to identify work that could be accomplished while waiting for their project to rise in priority.

c. SC 2011 Strategic Goals

Allen Mosher will review the status of the Standards Committee’s 2011 Strategic Goals with an objective of identifying how the Standards Committee will achieve each of the goals.

4. Standards Process

a. Interpretation Procedure

Ben Li will provide an overview of the Interpretation Procedure drafted by the Standards Committee’s Process Subcommittee and will ask for full committee approval. 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.’ The document provides greater transparency to the work of interpretation drafting teams. This is an important procedure as the Standards Committee has directed staff to defer from starting work on any new interpretations until this procedure is in place.

b. Draft SC Charter Revisions

Maureen Long will review a set of SC Charter revisions. The revisions include those identified in 2010 to support changing the membership of the Standards Committee to include a chair and vice chair without industry segment representation (and no voting rights) in addition to two representatives from each Industry Segment and a minimum of two voting representatives from Canada. An additional modification supports the Standards Committee’s new goal of coordinating its activities with Regional Standards development activities.

Standards Committee members will be asked to review the proposed modifications and identify the need for any additional modifications before the April 2011 Standards Committee meeting. Modifications to the SC Charter must be approved by the Board of Trustees.

c. Quality Review Advisory Group Assignments

The Quality Review Advisory Working Group Charter approved by the Standards Committee during its February, 2011 meeting does not require that members of the QRAWG complete any training before accepting responsibility for fulfilling the duties of the QRAWG. The charter assigns the chair and vice chair of the Standards Committee the

responsibility for making assignments to the QRAWG. The following assignments have been made for the remainder of 2011:

1s Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr
Jason Shaver (1)	Patrick Brown (2)	Carol Sedewitz (1)	Silvia Parada Mitchell (6)
Ben Li (2)	Joe Tarantino (4)	Ron Parsons (3)	Michael Goggin (8)
Allen Mosher (4)	Frank McElvain (7)	Alice Murdock (6)	Diane Barney (9)
Michael Gildea (5)	Jim Stanton (8)	John Anderson (7)	Robert Blohm (C)
Linda Campbell (10)	Steve Rueckert (10)	Klaus Lambeck (9)	

d. **Volunteers for Standards Committee Subcommittees**

In addition to serving on the QRAWG, Standards Committee members are encouraged to become active participants in one of the two subcommittees. The Subcommittee Organization and Procedures document provides background on the two subcommittees.

Allen Mosher will invite all Standards Committee members who are not currently members of one of the Standards Committee's two Subcommittees to join one of the subcommittees by notifying the subcommittee chair. The chair of the Communications and Planning Subcommittee is Michael Gildea and the co-chairs of the Process Subcommittee are Ben Li and Linda Campbell. Each of the subcommittees is planning a meeting in Salt Lake City on April 12.

5. Coordination

a. **Coordination with Regulatory and Governmental Authorities**

Holly Hawkins will provide an update on regulatory activities since the last Standards Committee meeting.

b. **Coordination with Regional Managers**

- Status of developing Rules of Procedure change for BES Definition Exception Process

Herb Schrayshuen will provide an update on the work group formed to address the Rules of Procedure change associated with the update to the definition of BES.

6. Other Items

- Status of All Interpretations
- Drafting Team Vacancies
- Hotel Information for April Standards Committee Meeting
- NERC Strategic Goals 2011-2014
- Upcoming Drafting Team Meetings

7. Executive Committee Actions — (M. Long)

- Pre-authorize the Standards Committee's Executive Committee to take action on the following items if they are submitted for Standards Committee action before April 13-14, 2011:

- Project 2007-03 — Real-time Operations — Authorize posting
- Project 2007-09 — Generator Verification — Authorize posting
- Project 2010-15 — Expedited Revisions to CIP-005 — Authorize posting

8. Adjourn

Status of All Interpretations (February 3, 2011)					
Project/Standard	R #	Synopsis of Issue	Ballot Status	Last Action	Next Action
Project 2008-10 — Interpretation of CIP-006-1 for Progress Energy (Harry Tom)	R1.1	Does electronic security perimeter wiring external to a physical security perimeter have to be protected within a six-wall boundary?	Initial ballot conducted and achieved a quorum and high approval Quorum: 79.92% Approval: 74.47%	Initial ballot ended October 12, 1009	Conduct recirculation ballot
Project 2009-17 — Interpretation of PRC-004-1 and PRC-005-1 for Y-W Electric and Tri-State G & T (Darrel Richardson)	R2	Is protection for a radically-connected transformer protection system energized from the BES considered a transmission Protection System?	Initial ballot conducted and achieved a quorum and high enough approval: Quorum: 83.15 % Approval: 74.55 %	Recirculation ballot ended December 3, 2010 Quorum: 87.81% Approval: 82.41%	Present to BOT in February, 2011
Project 2009-19 — Interpretation of BAL-002-0 for NWPP Reserve Sharing Group (Andy Rodriquez)	R4 and R5	Seeks clarity on which disturbances are excluded from compliance and on the use of the phrase, “excluded from compliance evaluation.”	Initial ballot conducted and failed. Quorum: 89.83% Approval: 48.60%	Initial ballot ended February 26, 2010	Placed on hold by SC October , 2010
Project 2009-22 — Interpretation of COM-002-2 for the IRC (Howard Gugel)	R2	Are routine operating instructions considered “directives” or are “directives” limited to emergency operating conditions?		Initial comment period ended December 18, 2010	TBD
Project 2009-23 — Interpretation of CIP-004-2 for Army Corps of Engineers (Howard Gugel)	R3	Asks for clarity on acceptable sources of ID verification, periodicity of ID verifications, and 7 yr criminal checks.	Initial ballot conducted and failed. Quorum: 88.52 % Approval: 63.43 %	Initial ballot ended April 8, 2010	Reopen ballot pool Post revised interpretation for parallel comment/ballot
Project 2009-24 — Interpretation of EOP-005-1 for FMPA (Howard Gugel)	R7	Asks for clarity on the use of the phrase, “verify the restoration procedure” and the term, “simulation” for TOPs without any black start facilities.	Balloted once and received low approval Jan 15, 2010: Quorum: 87.68% Approval: 17.79% (Interpretation revised)	Ballot pool closed April 21, 2010	Reopen ballot pool Post revised interpretation for parallel comment/ballot

Status of All Interpretations (February 3, 2011)					
Project/Standard	R #	Synopsis of Issue	Ballot Status	Last Action	Next Action
Project 2009-25 — Interpretation of BAL-001-01 and BAL-002-0 by BPA (Howard Gugel)	R1	Does the WECC Automatic Time Error Control Procedure (WATEC) violate Requirement 1 of BAL-001-0?	Initial ballot conducted and failed. Quorum: 88.00% Approval: 34.28%	Initial ballot ended January 15, 2010	Drafting team to report to SC in October, 2010
Project 2009-26 — Interpretation of CIP-004-1 for WECC (Howard Gugel)	R2-R4	Asks for clarity with respect to “authorized access” as applied to temporary support from vendors. Do the training, risk assessment and access requirements specified in R2, R3, and R4 apply to vendors who are supervised?	Initial ballot conducted and failed. Quorum: 84.21% Approval: 42.24%	Initial ballot ended January 19, 2010	Reopen ballot pool Post revised interpretation for parallel comment/ballot
Project 2009-29 TOP-002-2a for FMPP (Al McMeekin)	R6	Is the responsibility of a BA under R6 to plan to meet CPS and DCS under unscheduled changes in the system configuration and generation dispatch?	Initial ballot conducted and achieved a quorum and high approval: Quorum: 84.34% Approval: 84.56%	Initial ballot ended February 22, 2010.	Conduct recirculation ballot
Project 2009-30 — Interpretation of PRC-001-1 for WPSC (Al McMeekin)	R1	Seeks clarity on the use of the term “Generator Operator.”	Initial ballot conducted and failed. Quorum: 89.51% Approval: 48.74%	Initial ballot ended February 26, 2010	Reopen ballot pool Post revised interpretation for parallel comment/ballot
Project 2009-32 EOP-003-1 for FMPP (Al McMeekin)	R3 and R5	Do R3 and R5 apply only to automatic load shedding or both automatic and manual load shedding?	Initial ballot failed to achieve a quorum; Reballot conducted and achieved quorum and high enough approval Quorum: 91.37% Approval: 77.66%	Reballot ended March 31, 2010	Conduct recirculation ballot
2010-INT-01 TOP-006-2 for FMPP (Al McMeekin)	R1.2 and R3	Is the BA responsible for reporting generation resources available for use and TOP responsible for reporting transmission resources that are available for use? Does “appropriate technical information	Formed ballot pool	Ballot Pool closed April 5, 2010	Reopen ballot pool Post for parallel comment/ballot

Status of All Interpretations (February 3, 2011)					
Project/Standard	R #	Synopsis of Issue	Ballot Status	Last Action	Next Action
		concerning protective relays” refer to protective relays for which the entity has responsibility			
2010-INT-02 TOP-003-1 for FMPP (Al McMeekin)	R2	Does the requirement to plan and coordinate for scheduled outages of system voltage regulating equipment for the Balancing Authority mean plan and coordinate scheduled outages of generators within the Balancing Authority?	Formed ballot pool	Ballot Pool closed April 5, 2010	Reopen ballot pool Post for parallel comment/ballot
Project 2010-INT-03 TOP-002-2a for FMPP (Al McMeekin)	R2, R8, and R19	Clarity on BA obligations	Formed ballot pool	Ballot pool closed April 5	Reopen ballot pool Post for parallel comment/ballot
Project 2010-INT-04 EOP-001-1 for FMPP (Al McMeekin)	R2.4	What does “a set of plans for system restoration” mean for a Balancing Authority?	Formed ballot pool	Ballot pool closed April 5	Reopen ballot pool Post for parallel comment/ballot
Project 2010-INT-05 CIP-002-1 for Duke Energy (Howard Gugel)	R3	Seeks clarity on the use of the term, “examples” and clarity on the use of the term, “essential”		Posted for comment September 8-October 8, 2010	Respond to comments
RFI received on 11/4/2010 from TECO on CIP-007	R5.3	Asks if procedural controls are an acceptable method of complying with R5.3 when enforcement cannot be achieved through technical means, or if BOTH technical and procedural controls must be implemented in every instance			CAN has been prepared and is in final review stages before being posted for industry comment
RFI received in 12/9/2010 from Bridgeport Energy on FAC-008-1	R1.2.1	Ask for clarification of what equipment is included in the term “terminal equipment.”			Proposed a CAN and rejected by submitter; delayed further action pending approval of SC interpretation process
RFI received on 12/28/2010 from ITC on CIP-007	R5	Asks for clarity on passwords – specifically looking for more clarity on ‘technical controls’ and ‘procedural controls’ as they apply to passwords – and clarity on when/if the requirement is to have both technical and procedural controls			CAN has been prepared and will be posted soon for industry comment period; processing of interpretation is delayed further action pending approval of SC interpretation process
RFI received on 1/28/2011 from	R1	Asks for clarification of whether a GOP must			Under review; further action

Status of All Interpretations (February 3, 2011)

Project/Standard	R #	Synopsis of Issue	Ballot Status	Last Action	Next Action
Constellation Power Gen on VAR-002-1b		communicate to a TOP that a generator is in manual mode (no AVR) during start up or shut down.			delayed pending approval of SC interpretation process.
RFI received on 2/24/2011 from OGE on CIP-002-3 R1.2.5	R1.2.5	Asks for clarification about applicability of CIP-002 to AMI systems.			Under review; further action delayed pending approval of SC interpretation process.

Approved Meeting Minutes Standards Committee

Thursday, March 10, 2011 | 1–5 p.m. Eastern

1. Administrative Items

A conference call meeting of the Standards Committee was held on Thursday, March 10, 2011 from 1 p.m. to 5 p.m. The agenda, attendance list, and meeting announcement are affixed as Exhibits A, B, and C respectively.

Introductions and Quorum

Standards Committee Chair Allen Mosher led the introduction of committee members and determined there was a quorum. Allen reminded all that the conference call was open to all interested parties and everyone should recognize that it is not possible to know everyone who may be listening to the call.

NERC Antitrust Compliance Guidelines

Maureen Long reviewed the NERC Antitrust Compliance Guidelines.

Meeting Agenda

Allen Mosher reviewed the meeting agenda and asked for modifications. The agenda was modified to add a new item 4e – Review of meeting with FERC staff related to VRFs and to add a discussion of Project 2009-06 – Facility Ratings.

Carol Sedewitz motioned to approve the agenda as modified.

– *The motion was approved without objection or abstention.*

Waiver of 5-day Rule

Linda Campbell motioned to waive the 5-day rule.

– *The motion was approved unanimously.*

2. Consent Agenda

Patrick Brown asked to remove the following from the consent agenda for discussion:

- Project 2008-06 – Cyber Security Order 706 – Accept the resignation of two members and appoint two replacements to the drafting team
- Project 2009-03 – Emergency Operations – Accept the resignation of one member and appoint a replacement to the drafting team

After discussion, Patrick Brown motioned to approve the following:

- Project 2008-06 – Cyber Security Order 706 – accept the resignation of Patricio Leon-Alvarado of Southern California Edison and the resignation of Jim Brenton of ERCOT and appoint Robert Preston Lloyd of Southern California Edison and Christine Hasha of ERCOT to the standard drafting team.
- Project 2009-03 – Emergency Operations – accept the resignation of Laura Zotter of ERCOT and appoint Jeff Healy of ERCOT to the standard drafting team.

Linda Campbell asked to remove the following from the consent agenda for discussion:

- February 22, 2011 Standards Committee Executive Committee Meeting Minutes

After discussion, Jason Shaver motioned to ratify the actions taken by the Standards Committee's Executive Committee during the February 22, 2011 Standards Committee Executive Committee Meeting.

– *The motion was approved without objection or abstention.*

Carol Sedewitz motioned to approve the February 11, 2011 Standards Committee Meeting Minutes and ratify the actions taken by the Standards Committee's Executive Committee during the February 10, 2011 Standards Committee's Executive Committee Meeting.

– *The motion was approved without objection or abstention.*

3. High Priority Projects, Activities and Action Items

Status of Projects Identified as High Priority

Andy Rodriguez reviewed the status of high priority projects.

Bulk Electric System (BES) Definitions Project

Peter Heidrich reported that the BES Definition Team expects to complete its consideration of the comments submitted in response to the initial posting of the SAR for the BES Definition and the proposed definition before the end of March, 2011. The consideration of stakeholder comments has led to proposed revisions to both the SAR and the associated definition of BES.

Progress in Communicating Project Priority with Drafting Teams

Herbert Schrayshuen reported that he and Allen Mosher have been communicating with drafting team chairs and inviting the chairs to provide action plans for their projects. Allen and Herb will jointly distribute a letter to the drafting teams to formalize the process for finding a logical stopping point and putting the projects on hold.

SC 2011 Strategic Goals

Allen Mosher reviewed the status of the Standards Committee's 2011 Strategic Goals and reported that the Standards Committee's Executive Committee will meet on March 21, 2011 to review each action item, verify or correct the proposed assignment, and identify milestones and deliverables associated with each activity.

4. Standards Process

Interpretation Procedure

Alice Ireland motioned to approve (for trial use with a final version to be presented to the full Standards Committee in April, 2011 meeting) the Standards Committee’s Interpretation Procedure.

– *The motion was approved without objection or abstention.*

Draft SC Charter Revisions

The committee discussed the proposed charter revisions and agreed to work with through the Process Subcommittee in identifying any additional modifications before the April 2011 Standards Committee meeting. The charter is scheduled for presentation to the Board of Trustees for approval at its May, 2011 meeting along with a request to approve conforming changes to the Standards Committee’s Election Procedure which is Appendix 3B in the Rules of Procedure.

Quality Review Advisory Group Assignments

The following assignments have been made for the remainder of 2011:

1s Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr
Jason Shaver (1)	Patrick Brown (2)	Carol Sedewitz (1)	Silvia Parada Mitchell (6)
Ben Li (2)	Joe Tarantino (4)	Ron Parsons (3)	Michael Goggin (8)
Allen Mosher (4)	Frank McElvain (7)	Alice Murdock (6)	Diane Barney (9)
Michael Gildea (5)	Jim Stanton (8)	John Anderson (7)	Robert Blohm ©
Linda Campbell (10)	Steve Rueckert (10)	Klaus Lambeck (9)	

Volunteers for Standards Committee Subcommittees

Michael Gildea motioned to remove the following individuals from the Communications and Planning Subcommittee roster:

- David Schiada, Southern California Edison
- Sara Filling, Baltimore Gas & Electric Company
- Raymond TranWood Group Contractual Solutions

– *The motion was approved without objection or abstention.*

Report on VRF meeting with FERC

Patrick Brown reported that he, Terry Bilke and Andy Rodriguez met with FERC staff on March 2, 2011 to discuss the proposal to move to a set of 5 VRFs and the associated tool. Patrick reviewed the areas where FERC staff supported the concepts presented and areas where FERC staff expressed concerns about the concepts presented.

5. Coordination

Coordination with Regulatory and Governmental Authorities

Holly Hawkins provided highlights of recent standards-related BOT actions and upcoming filings.

Status of developing Rules of Procedure change for BES Definition Exception Process

Herb Schrayshuen reported that he has formed a work group to assist in developing Rules of Procedure change for the BES Definition Exception Process. Carter Edge is serving as the chair.

6. Other Items

Status of all Interpretations

Ben Li asked for a status of interpretations, in particular the status of the outstanding interpretation that addresses 'directives' and 'three part communication.' Maureen Long reported that a new coordinator has been assigned to this project but the team has not met. She also noted that, based on the approval of the new Interpretation Procedure, a review of all the outstanding interpretations against the procedure needs to be conducted before moving any of the interpretations forward, to ensure that interpretation teams and their work products will meet the Standards Committee's expectations.

7. Executive Committee Actions

John Anderson motioned to pre-authorize the Standards Committee's Executive Committee to take action on the following items if they are submitted for Standards Committee action before April 13-14, 2011:

- Project 2007-03 — Real-time Operations — Authorize posting
- Project 2007-09 — Generator Verification — Authorize posting
- Project 2010-15 — Expedited Revisions to CIP-005 — Authorize posting
- Project 2009-06 – Facility Ratings – Authorize use of expedited process if the Rule 321 Order is issued before the April 2011 SC meeting
- Project 2010-17 – Definition of BES – Authorize posting revised SAR and consideration of comments report – post revised definition and comment form for a 30-day formal comment period

– *The motion was approved without objection and one abstention – Diane Barney.*

8. Adjourn

Action Items							
Activity	Entire Standards Committee	Executive Committee	Standards Committee Officers	Process Subcommittee	Comm. & Planning Subcommittee	Staff	Status
03132011_1_Send a thank you note to each member of the SC C&P Subcommittee who volunteered and is no longer continuing with the subcommittee					Mike Gildea		
03132011_2_Update the SC Subcommittee Charter				Subcommittee			
03132011_3_Remind those not present for the March 2011 SC meeting of the QRAWG assignments and ask for feedback if assignment isn't acceptable						Maureen Long	
03132011_4_Add another person representing the SC to the ALR effort		Allen Mosher					
03132011_5_Announce that the BES ROP team has been formed and send a message to the BES DT Plus list with the BES ROP roster						Herb Schrayshuen	
03132011_6_Review process for replacing drafting team				Subcommittee			

Action Items							
Activity	Entire Standards Committee	Executive Committee	Standards Committee Officers	Process Subcommittee	Comm. & Planning Subcommittee	Staff	Status
members (when an employee appointed to a drafting team changes jobs, some entities recommend another employee as a replacement; some teams working on lower priority projects are recommending drafting team replacements)							
03132011_7_ Distribute a letter to the drafting teams to formalize the process for finding a logical stopping point and putting the projects on hold.			Allen Mosher			Herb Schrayshuen	
03132011_8_ Develop a proposal to integrate the consideration of reliability improvements versus costs into standard development and approval. – are there simple questions we can ask stakeholders in comment forms for cost benefit feedback				Subcommittee			
03132011_9_ Develop some criteria for analysis of effectiveness last year's balloting.			Ben Li			Maureen Long	

Action Items							
Activity	Entire Standards Committee	Executive Committee	Standards Committee Officers	Process Subcommittee	Comm. & Planning Subcommittee	Staff	Status
03132011_10_Develop a quality review template for review of interpretations (consider number and type of reviewers needed)				Subcommittee		Maureen Long Laura Hussey	Due to SC for April, 2011 mtg
03132011_11_Finalize SC Charter Draft (Need to see how this affects the SC EC; and how officers would be impacted with respect to a one year term)				Subcommittee			Due to SC for April, 2011 mtg

Agenda Standards Committee

Wednesday, April 13, 2011 | 8–5 p.m. Mountain
Thursday, April 14, 2011 | 8-3 p.m. Mountain

WECC
155 North 400 West, Suite 200
Salt Lake City, Utah

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

1. Administrative Items

- a. Introductions and Quorum* (A. Mosher)
- b. Conference Call Reminder
- c. NERC Antitrust Compliance Guidelines* (M. Long)
- d. Meeting Agenda — **Approve** (A. Mosher)
- e. Waiver of 5-day Rule — **Approve** (A. Mosher)

2. Consent Agenda

- a. March 10, 2011 Standards Committee Meeting Minutes* — **Approve**
- b. March 14, 2011 Standards Committee Executive Committee Meeting Minutes* — **Ratify**
- c. March 21, 2011 Standards Committee Executive Committee Meeting Minutes* — **Ratify**
- d. March 25, 2011 Standards Committee Executive Committee Meeting Minutes* — **Ratify**
- e. Project 2007-02 – Operations Communications Protocols – Appoint a Member to the Drafting Team to Fill and Advertised Vacancy* **Confidential (To be sent separately)** — **Appoint**
- f. Project 2007-07 – Vegetation Management – Appoint a Member to the Drafting Team and Appoint a Vice Chair* **Confidential (To be sent separately)** — **Appoint**
- g. Drafting Team Roster Changes – Accept the Resignations of Several Members of Drafting Teams* **Confidential (To be sent separately)** — **Accept**

3. High Priority Projects, Activities, and Action Items

- a. Status of Projects Identified as High Priority* (A. Rodriguez)

- Review of Projects Behind Schedule
 - b. Coordination Between BES Definition Team and BES Definition Exception Process Rules of Procedure Work Group (H. Schrayshuen)
 - c. Pilot Project to Draft Initial Set of Requirements Using Small Team (A. Rodriguez)
 - d. Progress in Communicating Project Priority with Drafting Teams (A. Mosher and H. Schrayshuen)
 - e. SC Goals and Action Items (A. Mosher)
 - Status of Action Items from March 2011 Meeting*
 - 2011 SC Strategic Goals*
 - 2011 Corporate Goals Supported by SC Strategic Goals*
 - f. System Restoration and Blackstart Resources Standard Drafting Team and IROL Standard Drafting Team Thanked and Disbanded
- 4. Standards Actions**
- a. Project 2009-02 Real-time Monitoring and Analysis Capabilities – Determine Whether to Seek a Replacement for a Drafting Team Vacancy (A. Rodriguez)
 - b. Recommended Actions for Outstanding Interpretations* (L. Hussey)
 - c. Direct Staff to Solicit Nominations for a Cyber Security Interpretation Drafting Team (L. Hussey)
- 5. Standards Process** (B. Li and L. Campbell)
- a. Interpretation Procedure* — **Approve**
 - b. Template for Quality Review of Interpretations * — **Endorse**
 - c. Revised Request for Interpretation Form * — **Endorse**
 - d. Guidelines for Interpretation Drafting Teams * — **Endorse**
 - e. SC Charter Revisions* — **Approve (Final to be sent separately)**
 - f. Consideration of Comments on Project Prioritization Tool and Conforming changes to Tool and Reference Document — **Approve (Finals to be sent separately)**
 - g. Status of Revising Roles and Responsibilities Document*
 - h. Pro Forma VSLs Status* (T. Bilke)
 - i. Preliminary Analysis of Success with 2010 Expedited Balloting (M. Long)
 - j. Other Process Subcommittee Activities (B. Li and L. Campbell)
- 6. Communications**
- a. Update on Standards Web Pages (H. Schrayshuen)
 - b. Report on Standards and Compliance Workshop (M. Huggins)
 - c. Other Subcommittee Activities (A. Brown)

7. Coordination

- a. Coordination with Regulatory and Governmental Authorities (A. Dressel)
- b. Coordination with Regional Managers (H. Schrayshuen)
- c. Coordination with Technical Committees (A. Mosher)

8. Informational Items

- a. Drafting Team Vacancies*
- b. Reliability Standard Development Plan - Filed Version*
- c. Reliability Metrics and Integrated Risk Assessment*
- d. ERO Budget Assumptions*

9. Executive Committee Actions (M. Long)

- a. Items expected to come before the Standards Committee's Executive Committee before May12, 2011 (**Pre-authorize**)
 - First Quarter Ballot Results Report — Approve for inclusion in a filing with FERC by April 30, 2011

10. Adjourn

*Background materials included.

1. **Administrative Items**

- a. **Introductions and Quorum** — Allen Mosher will lead the introduction of committee members and determine if there is a quorum.
- b. **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 web site 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.
- c. **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.
- d. **Meeting Agenda** — Allen Mosher will review the meeting agenda and ask for modifications before the agenda is approved.
- e. **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**

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. March 10, 2011 Standards Committee Meeting Minutes
- b. March 14, 2011 Standards Committee Executive Committee Meeting Minutes
- c. March 21, 2011 Standards Committee Executive Committee Meeting Minutes
- d. March 25, 2011 Standards Committee Executive Committee Meeting Minutes
- e. Project 2007-02 – Operations Communications Protocols – Appoint a Member to the Drafting Team to Fill an Advertised Vacancy
- f. Project 2007-07 – Vegetation Management – Appoint a Member to the Drafting Team and Appoint a Vice Chair

- g. Drafting Team Roster Changes – Accept the Resignations of Several Members of Drafting Teams

3. **High Priority Projects, Activities, and Action Items**

- a. Status of Projects Identified as High Priority *

Andy Rodriguez will review the status of high priority projects, with a focus on the following projects that are experiencing issues causing project delays.

- Vegetation Management
- Real-Time Transmission Operations
- Generator Verification
- Operating Personnel Communication Protocols
- Definition of BES

- b. Coordination Between BES Definition Team and BES Definition Rules of Procedure Team

Herb Schrayshuen will provide an update on the work of the BES Definition Rules of Procedure Team and efforts made to ensure close coordination between the two teams working on different aspects of the collective response to Order 743.

- c. Pilot Project to Draft Initial Set of Requirements Using Small Team

Andy Rodriguez will provide an update on the work done to date to outline a process for using a small team to draft an initial draft of a proposed standard that would be submitted to the Standards Committee with a request to post the proposed standard with its associated SAR for stakeholder comment. As envisioned, another drafting team will be formed, following the Standard Processes Manual, to address comments on the SAR and draft standard, and the drafting team assigned by the Standards Committee is the team that would complete the development of the standard.

- d. Progress in Communicating Project Priority with Drafting Teams

Allen Mosher and Herb Schrayshuen will review the steps they've taken to reach out to drafting teams that are not working on the highest priority projects, and help them identify a logical stopping point or a process for continuing to work on their project with limited staff support.

- e. SC Goals and Action Items

Allen Mosher will walk the committee through its outstanding action items and then will review the work done by the Standards Committee's Executive Committee in developing some interim milestones and deliverables for the Standards Committee's 2011 Strategic Goals. Finally, Allen will review a document that maps the Standards Committee's Strategic Goals to the ERO's strategic goals to identify additional areas where the Standards Committee may choose to add a new or modified goal for even closer alignment between the SC and ERO goals.

- Status of Action Items from March 2011 Meeting
- 2011 SC Strategic Goals

- 2011 Corporate Goals Supported by SC Strategic Goals

- f. System Restoration and Blackstart Resources Standard Drafting Team and IROL Standard Drafting Team Thanked and Disbanded

Allen Mosher has written letters of thanks for the members of the System Restoration and Blackstart Standard Drafting Team and the members of the Interconnection Reliability Operating Limits Standard Drafting Team. Both teams had their proposed standards and definitions approved by FERC on March 17, 2011, and the associated Orders did not contain any specific directives to make conforming changes to the approved standards. These teams are being officially disbanded.

4. Standards Actions

- a. Project 2009-02 Real-time Monitoring and Analysis Capabilities – Determine Whether to Seek a Replacement for a Drafting Team Vacancy

Background: Project 2009-02 – Real-time Monitoring and Analysis Capabilities, was ranked as number 19 in the Standards Committee’s February 2011 list of prioritized projects. Despite the low ranking, the team has decided to continue its work with little or no staff support and would like to fill a vacant position on the team. The vacancy, if left unfilled, would result in the team having no Canadian representation on the drafting team.

Request: Authorize advertising and filling the vacant position on the Real-time Monitoring and Analysis Capabilities standard drafting team.

- b. Recommended Actions for Outstanding Interpretations

Background: In October, 2010 the Standards Committee directed staff to stop accepting any new interpretations pending the development and approval of a more formal procedure for processing interpretations. That procedure was approved for draft use in March, 2011 and is expected to be approved in its final format during the April 2011 Standards Committee meeting. The standards staff is ready to move forward in addressing the outstanding interpretations, using the new procedure for processing interpretations.

Laura Hussey will review the current status of each of the outstanding requests for an interpretation and recommend the next actions based on a review of the work already done to date, the guidance provided by the Board of Trustees in November 2009 regarding interpretations, and the need to prioritize the next steps with interpretations along with other standard development projects.

Request: Endorse the proposed actions for outstanding interpretations.

- c. Direct Staff to Solicit Nominations for a Cyber Security Interpretation Drafting Team

Background: Several of the outstanding interpretations address clarity of Cyber Security standards. The new Interpretation Procedure recommends use of a limited number of members of existing standard drafting teams to serve as an associated interpretation drafting team. Because we expect to continue to receive requests for interpretation of the Cyber Security standards, and because the Cyber Security standard drafting team is already burdened with revising eight significant standards, staff recommends the

formation of a separate interpretation drafting team to address Cyber Security interpretation requests.

Request: Authorize staff to solicit nominations for a Cyber Security Interpretation Drafting Team.

5. **Standards Process**

a. Interpretation Procedure

Background: The Standards Committee's Process Subcommittee has made minor adjustments to the Interpretation Procedure that was approved for pilot use during the Standards Committee's March, 2011 meeting.

Request: Approve the Interpretation Procedure.

b. Template for Quality Review of Interpretations

Background: The Standard Processes Manual requires that staff coordinate a Quality Review before an Interpretation is posted for formal comment periods. The Standards Committee's Process Subcommittee has drafted a template for use in conducting a Quality Review of an interpretation.

Request: Endorse trial use of the Template for Quality Review of Interpretations.

c. Revised Request for Interpretation Form

Background: The Standard Processes Manual limits the use of interpretations to addressing clarity of requirements in approved standards. The interpretation form used in the past did not provide sufficient guidance to stakeholders on the limitations associated with the range of interpretations that could be requested.

Request: Endorse trial use of the revised Request for Interpretation form.

d. Guidelines for Interpretation Drafting Teams

Background: The guidance previously provided to Interpretation Drafting Teams did not reflect the November 2009 Board of Trustees resolutions regarding interpretations.

Request: Endorse trial use of the Guidelines for Interpretation Drafting Teams.

e. SC Charter Revisions

Background: During the March 2011 Standards Committee meeting the committee reviewed a set of proposed revisions to the charter. The revisions include those identified in 2010 to support changing the membership of the Standards Committee to include a chair and vice chair without industry segment representation (and no voting rights) in addition to two representatives from each Industry Segment and a minimum of two voting representatives from Canada. An additional modification supports the Standards Committee's new goal of coordinating its activities with Regional Standards development activities. A third revision would shorten the time period required for public notice of actions without a meeting from 10 calendar days to three calendar days to support the need for quick action with email ballots.

The Process Subcommittee was tasked with reviewing the modifications already identified and determining if any additional modifications are needed. A final version of the

proposed changes will be submitted to the Standards Committee for review immediately following the Process Subcommittee's meeting on April 12, 2011.

Request: Approve the revised SC Charter so that it can be submitted for approval by the Board of Trustees during its May, 2011 meeting.

f. Consideration of Comments on Project Prioritization Tool and Conforming Changes to Tool and Reference Document

Background: The Standards Committee posted its Project Prioritization Tool and associated reference document for a public comment period from January 21 through February 10, 2011. The committee used feedback from this comment period to make adjustments to the ratings assigned to standard projects and assigned the Process Subcommittee the task of providing a formal response to all comments, with recommendations for conforming changes to the tool and reference document.

A final version of these documents will be submitted to the Standards Committee for review immediately following the Process Subcommittee's meeting on April 12, 2011.

Request: Approve the Consideration of Comments report, Project Prioritization Tool, *Standards Committee Process for Standards Project Identification, Prioritization, and Monitoring* reference document for posting.

g. Status of Revising Roles and Responsibilities Document — Discussion

Background: In an October 1, 2009 letter to the NERC Standards Committee (SC) Mr. John Q. Anderson, Chairman of the NERC Board of Trustees (BOT), requested the SC to carry out the following action:

"NERC board to direct changes to the Roles and Responsibilities document (approved by the Standards Committee in March 2009) in order for that document to incorporate the board's expectation that NERC staff will provide the board with its technical evaluations of reliability standards proposed for adoption by the board, including assurance that the reliability standards can be complied with and are auditable."

Mr. Anderson's request was based on a statement in Attachment 2 of the NERC Three-Year ERO Performance Assessment on the role of NERC staff in reliability standards development (emphasis added):

"The board's CGHR committee has also discussed the appropriate role of NERC staff in the standards development process, including the role of NERC staff when standards approved by the industry ballot pool are presented to the NERC board for adoption. The CGHR did not make specific recommendations to the board on this issue, but deferred to the Standards Committee to address this issue in the Roles and Responsibilities document. Because the board believes it is important to have NERC staff provide the board a technical evaluation of standards presented for adoption, including assurance that the proposed standards can be complied with and are auditable, and since this point presently is not addressed in the Roles and Responsibilities document, the board will direct the Standards Committee to address this issue in a further revision to the document."

The Standards Committee deferred action in revising the Roles and Responsibilities document pending approval of the proposed Rule 321 addition to the Rules of Procedure. The committee will discuss plans to update the Roles and Responsibilities document.

h. Pro Forma VSLs Status

Background: One of the Standards Committee's strategic goals is to promote the approval of the use of "pro forma" Violation Severity Levels (VSLs) as an efficient replacement for the current practice of developing very specific VSLs to address a range of possible noncompliant performance.

Terry Bilke is working on this effort with the Compliance and Certification Committee and will provide an update on the status.

i. Preliminary Analysis of Success with 2010 Expedited Balloting

Background: During 2010 the Standards Committee authorized several unique ballots in an attempt to move standards through the process so that they were completed for presentation to the Board of Trustees on specific dates.

Maureen Long will provide an update comparing the actions approved, the dates the standards were anticipated to be presented to the board and the actual dates the standards were submitted to the board.

j. Other Process Subcommittee Activities

Ben Li and Linda Campbell will report on Process Subcommittee activities planned or under development for delivery to the Standards Committee during 2011.

6. Communications

a. Update on Standards Web Pages

Herb Schrayshuen will provide a report on the status of updating the Standards web pages.

b. Report on Standards and Compliance Workshop

Mallory Huggins will provide a report on the March 30-April 1, 2011 Standards and Compliance workshop.

c. Other Subcommittee Activities

Anne Brown, Vice Chair of the Communications and Planning Subcommittee will report on the subcommittee's activities planned or under development for implementation during 2011.

7. Coordination

a. Coordination with Regulatory and Governmental Authorities (A. Dressel)

Andy Dressel will provide an update on regulatory activities since the last Standards Committee meeting.

The following standards-related Rules of Procedure changes have been posted for stakeholder comment through April 15, 2011:

- Appendix 3B Election Procedure for Members of NERC Standards Committee

- Appendix 3D Registered Ballot Body Criteria
- b. Coordination with Regional Managers

Herb Schrayshuen will provide an update on the work of the Regional Standards Managers group.
- c. Coordination with Technical Committees

Allen Mosher will provide an update on the joint effort to work with NERC's technical committees in refining the definition of an adequate level of reliability (ALR). A task force will be formed with representatives from each of the committees, including the Standards Committee. Laura Lee of Duke Energy, a member of the Standards Committee's Process Subcommittee, has been asked to serve as one of the Standards Committee's members on this task force once it is formed. Linda Campbell, Allen Mosher and Maureen Long will also represent the Standards Committee in this effort.
- 8. **Informational Items**
 - a. Drafting Team Vacancies
 - b. Reliability Standard Development Plan - Filed Version
 - c. Reliability Metrics and Integrated Risk Assessment
 - d. ERO Budget Assumptions
- 9. **Executive Committee Actions**
 - a. Pre-authorize the Standards Committee's Executive Committee to take action on the following items if they are submitted for Standards Committee action before May 12, 2011:
 - First Quarter Ballot Results Report — Approve for inclusion in a filing with FERC by April 30, 2011
- 10. **Adjourn**

Project/Standard	R #	Synopsis of Issue	Ballot Status/Last Action	Valid RFI/Interpretation	Recommended Action
Project 2008-10 — Interpretation of CIP-006-1 for Progress Energy	R1.1	Does electronic security perimeter wiring external to a physical security perimeter have to be protected within a six-wall boundary?	Initial ballot ended October 12, 2009 and achieved a quorum and high approval Quorum: 79.92% Approval: 74.47%	Valid request. The IDT has drafted an interpretation that complies with the BOT resolution and SC guidance on interpretations. The version 1 requirement language persists through version 4 of the standards. CAN is being developed.	Form new ballot pool Conduct recirculation ballot High priority
Project 2009-19 — Interpretation of BAL-002-0 for NWPP Reserve Sharing Group	R4 and R5	Seeks clarity on which disturbances are excluded from compliance and on the use of the phrase, “excluded from compliance evaluation.”	Initial ballot ended February 26, 2010 and failed. Quorum: 89.83% Approval: 48.60% Placed on hold by SC in October , 2010	Not a valid request for interpretation. May not be possible to draft interpretation within the scope of current standard. The same language for which interpretation is being requested persists in Version 1 of the standard.	Notify requester.
Project 2009-22 — Interpretation of COM-002-2 for the IRC	R2	Are routine operating instructions considered “directives” or are “directives” limited to emergency operating conditions?	Initial comment period ended December 18, 2010	Valid request.	Reform drafting team. Post consideration of comments and revised interpretation for parallel 45-day comment period and initial ballot. High
Project 2009-23 — Interpretation of CIP-004-2 for Army Corps of Engineers (Howard Gugel)	R3	Asks for clarity on acceptable sources of ID verification, periodicity of ID verifications, and 7 yr criminal checks.	Initial ballot ended April 8, 2010 and failed. Quorum: 88.52 % Approval: 63.43 %	This request asks three questions, and two of the three are compliance questions. One is a valid request for interpretation.	Notify requester that two questions are not valid RFI; proceed with interpretation on third question. Turn drafting team work over to develop

Project/Standard	R #	Synopsis of Issue	Ballot Status/Last Action	Valid RFI/Interpretation	Recommended Action
				<p>The interpretation that has been drafted complies with the BOT resolution and SC guidance on interpretations.</p>	<p>CAN to provide clarification on other two questions.</p> <p>Alternative is to develop a CAN to address all of the questions. This is consistent with BOT guidance to put resources into improving the standards rather than into interpretations.</p> <p>(If proceeding with interpretation: Form new ballot pool Post consideration of comments and revised interpretation for parallel 30-day comment and ballot.)</p>
<p>Project 2009-24 — Interpretation of EOP-005-1 for FMPA (Howard Gugel)</p>	<p>R7</p>	<p>Asks for clarity on the use of the phrase, “verify the restoration procedure” and the term, “simulation” for TOPs without any black start facilities.</p>	<p>Balloted once and received low approval Jan 15, 2010: Quorum: 87.68% Approval: 17.79% (Interpretation revised)</p>	<p>Valid request; but interpretation has effectively been accomplished through revision of the standard. FERC approved EOP-005-2 on Mar. 17, 2011. EOP-005-2 modifies the requirement language to clarify these issues.</p> <p>EOP-005-1 applies for about 24 more months; CAN-0006 addresses this issue and is being updated..</p>	<p>Notify requester that the interpretation will not be pursued.</p>

Project/Standard	R #	Synopsis of Issue	Ballot Status/Last Action	Valid RFI/Interpretation	Recommended Action
Project 2009-25 — Interpretation of BAL-001-01 and BAL-002-0 by BPA (Howard Gugel)	R1	Does the WECC Automatic Time Error Control Procedure (WATEC) violate Requirement 1 of BAL-001-0?	Initial ballot ended January 15, 2010 and failed. Quorum: 88.00% Approval: 34.28%	Not a valid request for interpretation. Interpretation that has been drafted does not comply with BOT resolution and SC guidance.	Notify requester.
Project 2009-26 — Interpretation of CIP-004-1 for WECC (Howard Gugel)	R2- R4	Asks for clarity with respect to “authorized access” as applied to temporary support from vendors. Do the training, risk assessment and access requirements specified in R2, R3, and R4 apply to vendors who are supervised?	Initial ballot ended January 19, 2010 and failed. Quorum: 84.21% Approval: 42.24%	Valid request. Same phrase and lack of clarity persist through all approved versions of the standard.	Conduct a QR Form a new ballot pool Post revised interpretation for 45 day parallel comment/ballot.
Project 2009-29 TOP-002-2a for FMPP (Al McMeekin)	R6	Is the responsibility of a BA under R6 to plan to meet CPS and DCS under unscheduled changes in the system configuration and generation dispatch?	Initial ballot ended February 22, 2010 and achieved a quorum and high approval: Quorum: 84.34% Approval: 84.56%	Not a valid request for interpretation.	Notify requester.
Project 2009-30 — Interpretation of PRC-001-1 for WPSC (Al McMeekin)	R1	Seeks clarity on the use of the term “Generator Operator.”	Initial ballot ended February 26, 2010 and failed. Quorum: 89.51% Approval: 48.74%	Not a valid request for interpretation..	Notify requester.
Project 2009-32 EOP-003-1 for FMPP (Al McMeekin)	R3 and R5	Do R3 and R5 apply only to automatic load shedding or both automatic and manual load shedding?	Initial ballot failed to achieve a quorum; Reballot ended March 31, 2010 and achieved quorum and high enough approval Quorum: 91.37% Approval: 77.66%	Valid request; but a revision of the standard that provides clarification has been approved by the ballot pool and is pending regulatory filing.	Consistent with BOT guidance that industry resources be put into revising standards rather than developing interpretations where standards are unclear, contact requester to suggest that NERC issue a CAN to provide clarity for compliance purposes until the revised standard becomes effective.

Project/Standard	R #	Synopsis of Issue	Ballot Status/Last Action	Valid RFI/Interpretation	Recommended Action
2010-INT-01 TOP-006-2 for FMPP (Al McMeekin)	R1.2 and R3	Is the BA responsible for reporting generation resources available for use and TOP responsible for reporting transmission resources that are available for use? Does “appropriate technical information concerning protective relays” refer to protective relays for which the entity has responsibility?	Formed ballot pool – closed April 5, 2010	Valid request. The interpretation that has been drafted lacks clarity. A CAN on this subject is being developed.	Contact requester to see if CAN provides the necessary clarification.
2010-INT-02 TOP-003-1 for FMPP (Al McMeekin)	R2	Does the requirement to plan and coordinate for scheduled outages of system voltage regulating equipment for the Balancing Authority mean plan and coordinate scheduled outages of generators within the Balancing Authority?	Formed ballot pool – closed April 5, 2010	The request for interpretation seems to try to change the standard; and the drafting team will have a difficult job drafting an interpretation that follows the BOT and SC guidance. Current draft interpretation provides no clarity. A CAN is being considered, and this standard will be retired when the Real Time Ops project is completed and becomes effective. However, that is at least 3 years out.	Consistent with BOT guidance that industry resources be put into revising standards rather than developing interpretations where standards are unclear, contact requester to suggest that NERC issue a CAN to provide clarity for compliance purposes until the revised standard becomes effective.
Project 2010-INT-03 TOP-002-2a for FMPP (Al McMeekin)	R2, R8, and R19	Clarity on BA obligations	Formed ballot pool – closed April 5, 2010	The request for interpretation seems to try to change the standard; and the drafting team will have a difficult job drafting an interpretation that follows the BOT and SC guidance. Current draft interpretation provides no clarity.	Consistent with BOT guidance that industry resources be put into revising standards rather than developing interpretations where standards are unclear, contact requester to suggest that NERC issue a CAN to provide clarity for compliance purposes until the revised

Project/Standard	R #	Synopsis of Issue	Ballot Status/Last Action	Valid RFI/Interpretation	Recommended Action
					standard becomes effective.
Project 2010-INT-04 EOP-001-1 for FMPP (Al McMeekin)	R2.4	What does “a set of plans for system restoration” mean for a Balancing Authority?	Formed ballot pool - April 5, 2010	This request is moot – FERC approved EOP-001-2, which retires this requirement. A CAN is being prepared to clarify that BAs who are not TOPs are not required to comply with this requirement.	Remove EOP-001-1, Requirement R2.4 from the AML
Project 2010-INT-05 CIP-002-1 for Duke Energy (Howard Gugel)	R3	Seeks clarity on the use of the term, “examples” and clarity on the use of the term, “essential”	Posted for comment September 8-October 8, 2010	Valid request Interpretation that has been drafted complies with the BOT resolution and SC guidance on interpretations; however, the drafting team has reported to staff that it may not be possible to provide the requested clarity on one of the questions.	Proceed with interpretation; report to requester that the IDT is unable to provide an answer on one of the questions and will address the other. Post response to comments and revised interpretation for 45 day parallel comment and ballot.
RFI received on 11/4/2010 from TECO on CIP-007	R5.3	Asks if procedural controls are an acceptable method of complying with R5.3 when enforcement cannot be achieved through technical means, or if BOTH technical and procedural controls must be implemented in every instance		Valid request.	Pending SC discussion.
RFI received in 12/9/2010 from Bridgeport Energy on FAC-008-1	R1.2 .1	Ask for clarification of what equipment is included in the term “terminal equipment.”		Valid request.	Proposed a CAN and rejected by submitter; delayed further action pending SC discussion.
RFI received on 12/28/2010 from ITC on CIP-007	R5	Asks for clarity on passwords – specifically looking for more clarity on ‘technical controls’ and ‘procedural controls’ as they		Valid request.	CAN has been prepared and will be posted soon for industry comment period; processing of interpretation is

Project/Standard	R #	Synopsis of Issue	Ballot Status/Last Action	Valid RFI/Interpretation	Recommended Action
		apply to passwords – and clarity on when/if the requirement is to have both technical and procedural controls			delayed further action pending approval of SC interpretation process
RFI received on 1/28/2011 from Constellation Power Gen on VAR-002-1b	R1	Asks for clarification of whether a GOP must communicate to a TOP that a generator is in manual mode (no AVR) during start up or shut down.		Valid request.	Under review; further action delayed pending approval of SC interpretation process.
RFI received on 2/24/2011 from OGE on CIP-002-3 R1.2.5	R1.2.5	Asks for clarification about applicability of CIP-002 to AMI systems.		Valid request.	Form drafting team.

Standards Committee Procedure

Title: Processing Requests for an Interpretation

Purpose: To ensure that requests for interpretation are processed in accordance with ~~established standards development procedure~~ the approved NERC Rules of Procedure, Standards Processes Manual, and Standards Committee's prioritization process.

Conditions: When a requirement of an approved Reliability Standard is unclear, and the lack of clarity or an incorrect interpretation could result in a direct material reliability impact.

~~Only to the requirements of a standard can be interpreted~~ requesting entity.

~~As stated in response to a the Standards Processes Manual at page 27, an entity may only request for an interpretation. Questions on of a requirement of a Reliability Standard. Requests for clarifications of other standards element Reliability Standard elements, including Applicability, Measures, Compliance Elements, Violation Risk Factors, Violation Severity Level, etc. are related to compliance handled outside the interpretation process and registration, and may must be addressed by reviewing raised through another NERC or regulatory vehicle. Entities with these questions should first review~~ guidance provided on the Compliance section of the NERC website. ~~If an issue has not been addressed through previously issued compliance guidance, the question may be submitted to cancomments@nere.net.~~

Responsibility	Activity
Interpretation Requester	Complete applicable sections of the " Request for Interpretation " form and submit to the Standards Process Manager.
Director of Standards Process	<p>Within ten calendar days, complete the following:</p> <ul style="list-style-type: none"> Send the Requester an electronic confirmation of receipt of the request. Verify that all required information has been provided. Verify that the request is valid in accordance with the criteria stipulated in the Conditions Section of this document. Identify extraneous information that is unrelated to the area of the standard needing clarification and produce a recommended set of revisions that includes only relevant information. Based on the results of this review and if needed, send the Requester an indication of acceptance of the request, or any content that needs revision as well as development history relevant to the request. Submit the request (revised by the Requester where appropriate, as indicated below) to the Director of Standards Development for project identification and prioritization, or recommend to the Standards Committee if the request is to be rejected.
Interpretation Requester	<p>As soon as reasonably possible after receipt of the Director of Standards Process's comments regarding the request, if any, either:</p> <ul style="list-style-type: none"> Submit a revised request; <p style="text-align: center;">116-390 Village Blvd. Princeton, NJ 08540</p>

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Standards Committee Procedure

Processing Requests for Interpretation

<p>Director of Standards Development</p>	<ul style="list-style-type: none"> Inform the Director of Standards Process that the requester seeks to move forward with the request as originally submitted; or Notify the Director of Standards Process that the request is withdrawn.
	<ul style="list-style-type: none"> Using the established project identification and prioritization procedure process, recommend to the Standards Committee the timing for moving into the interpretation formulation phase. Where a drafting team on the requested standard exists, request that the Standards Committee form a drafting team with at least 5 members from an existing drafting team on the requested standard of the team. Where a drafting team does not exist for on the requested standard does not exist, request that the Standards Committee solicit nominations to form the drafting team. Appoint a coordinator to facilitate the drafting team in developing an interpretation.
<p>Coordinator</p>	<p>Record all proceedings of the drafting team meetings and conference calls, and facilitate the posting of draft interpretation, response to comments, compilation of ballot results and all related process through to the Board's adoption of the industry-approved interpretation and filing with FERC.</p>
<p>Drafting Team</p>	<p>Draft an interpretation that does not modify provides clarity on the intent requirements of what is in the approved standard, in accordance with the <u>Interpretation Drafting Team Guideline</u>, and submit it to the Standards Program Administrator for editing and posting.</p> <p>The interpretation must be within the strict construction and intent of the standard, and not seek to expand the reach of the standard to correct a perceived gap or deficiency in the standard. <u>The interpretation must provide clarity without expanding on any requirement.</u></p> <p>If an interpretation within the above stated condition cannot be written, or if the request reveals a reliability gap that requires changes to the standard, the drafting team should report to the Standards Committee of its conclusion, and recommend the appropriate corrective action to bridge the gap.</p> <p>If an agreement cannot be reached on an interpretation, seek the guidance of the Standards Committee.</p>
<p>Standards Committee</p>	<p>If guidance is sought, the Standards Committee shall meet as soon as reasonably possible to consider the request for guidance. The committee shall provide guidance as requested, which may include one of the following:</p> <ul style="list-style-type: none"> Remand the interpretation to the requester and ask for modifications to narrow the focus or improve clarity Direct the drafting team to move its interpretation forward
<p><u>Director of Standards Process</u></p>	<p><u>Conduct quality review and recommend to the Standards Committee to post the interpretation for a parallel comment and ballot period, or remand to the drafting team for revision if the interpretation does not meet established Quality Review criteria or the interpretation goes beyond the strict construction and intent of the standard or expands the reach of the standard to correct a perceived gap or deficiency.</u></p>
<p>Standards Program</p>	<p>Post the Request for Interpretation and the Proposed Interpretation for a 30-day formal comment period to include the following questions:</p>

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Administrator

- Does this interpretation modify the intent of the approved standard?
- Do you agree with this interpretation? If not, why not.

Drafting Team

Review and respond to all comments.

If the comments indicate that there is consensus for the interpretation, and either no changes or only minor changes are needed, submit the response to comments and a redline and clean version of the interpretation to the Director of Standards Process for quality review and request to post the interpretation for a 45-day formal comment period, with a ballot during the last 10 days of the comment period.

If the comments indicate that there is not a consensus for the interpretation, consider revising the interpretation. If the interpretation can be revised without modifying the intent of the approved standard, develop a modified interpretation and submit the response to comments, and redline and clean versions of the interpretation to the Director of Standards Process for quality review and request to post for a 45-day comment period. Formation of the ballot pool takes place during the first 30 days of this 45-day comment period.

Director of Standards Process

~~Conduct quality review and recommend to the Standards Committee to post the interpretation for a parallel comment and ballot period, or remand to the drafting team for revision if the interpretation does not meet established Quality Review criteria or the interpretation goes beyond the strict construction and intent of the standard or expands the reach of the standard to correct a perceived gap or deficiency.~~

Standards Program Administrator

Post the Request for Interpretation and the Interpretation for a 45-day comment period.

Announce the opening of the 45-day comment period and ballot pool window.

Announce and conduct an Initial Ballot for the last 10 days of the 45-day comment period.

Assemble comments submitted with comment forms and ballots and distribute to the Drafting Team.

Drafting Team

Review and respond to all comments.

If the comments (or the results of the ballot) do not indicate consensus for the interpretation, either:

- Revise the interpretation and post for another comment and ballot period, or
- Recommend that the ~~request~~interpretation be withdrawn and a SAR be entered into the standards process to revise the standard.

Standards Program Administrator

Post the drafting team's response to comments.

If the comments indicate consensus for the interpretation, announce and conduct a recirculation ballot for 10 calendar days.

If the drafting team made significant revisions ~~to and resubmitted~~ the interpretation ~~for quality review, after the quality review is completed and the Director, Standards Process has recommended to the Standards Committee that the interpretation be posted for successive comment and ballot~~, post for a 30-day formal comment period with a successive ballot during the last 10 days

	of the comment period.
Director, Standards	<p>Submit the interpretation to the board for its approval. If the drafting team has made significant revisions to the interpretation, I conduct another quality review and and recommend to the Standards Committee to post the interpretation for a parallel comment and ballot period, or remand to the drafting team for revision if the interpretation does not meet established Quality Review criteria or the interpretation goes beyond the strict construction and intent of the standard or expands the reach of the standard to correct a perceived gap or deficiency.</p> <p><u>If a recirculation ballot was conducted, submit the interpretation to the Board of Trustees for its approval.</u></p>
Board of Trustees	The Board shall adopt or reject the interpretation, but may not modify the proposed interpretation. If the board chooses not to adopt the interpretation, it shall provide its reasons for not doing so.
Standards Administrator	Append the interpretation to the board approved version of the standard, update the standard's version number, and send a notice of the approval to the standards list servers.
Director, Standards	Submit the interpretation (appended to the associated standard) to applicable governmental authorities for approval.
Standards Administrator	Once approval is received from applicable governmental authorities, modify applicable governmental approved version of the standard and send a notice to the standards list servers.

Standards Committee Procedure

Title: Processing Requests for an Interpretation

Purpose: To ensure that requests for interpretation are processed in accordance with the approved NERC Rules of Procedure, Standards Processes Manual, and Standards Committee's prioritization process.

Conditions: When a requirement of an approved Reliability Standard is unclear, and the lack of clarity or an incorrect interpretation could result in a direct, material reliability impact to the requesting entity.

As stated in the Standards Processes Manual at page 27, an entity may only request an interpretation of a requirement of a Reliability Standard. Requests for clarifications of other Reliability Standard elements, including Applicability, Measures, Compliance Elements, Violation Risk Factors, Violation Severity Level, etc. are handled outside the interpretation process and must be raised through another NERC or regulatory vehicle. Entities with these questions should first review guidance provided on the Compliance section of the NERC website.

Responsibility	Activity
Interpretation Requester	Complete applicable sections of the " Request for Interpretation " form and submit to the Standards Process Manager.
Director of Standards Process	<p>Within ten calendar days, complete the following:</p> <ul style="list-style-type: none"> Send the Requester an electronic confirmation of receipt of the request. Verify that all required information has been provided. Verify that the request is valid in accordance with the criteria stipulated in the Conditions Section of this document. Identify extraneous information that is unrelated to the area of the standard needing clarification and produce a recommended set of revisions that includes only relevant information. Based on the results of this review and if needed, send the Requester an indication of acceptance of the request, or any content that needs revision as well as development history relevant to the request. Submit the request (revised by the Requester where appropriate, as indicated below) to the Director of Standards Development for project identification and prioritization, or recommend to the Standards Committee if the request is to be rejected.
Interpretation Requester	<p>As soon as reasonably possible after receipt of the Director of Standards Process's comments regarding the request, if any, either:</p> <ul style="list-style-type: none"> Submit a revised request; Inform the Director of Standards Process that the requester seeks to move forward with the request as originally submitted; or

	<ul style="list-style-type: none"> • Notify the Director of Standards Process that the request is withdrawn.
Director of Standards Development	<ul style="list-style-type: none"> • Using the established project prioritization process, recommend to the Standards Committee the timing for moving into the interpretation formulation phase. • Where a drafting team on the requested standard exists, request that the Standards Committee form a drafting team with at least 5 members of the team. Where a drafting team on the requested standard does not exist, request that the Standards Committee solicit nominations to form the drafting team. • Appoint a coordinator to facilitate the drafting team in developing an interpretation.
Coordinator	Record all proceedings of the drafting team meetings and conference calls, and facilitate the posting of draft interpretation, response to comments, compilation of ballot results and all related process through to the Board's adoption of the industry-approved interpretation and filing with FERC.
Drafting Team	<p>Draft an interpretation that provides clarity on the requirements of the standard, in accordance with the Interpretation Drafting Team Guideline, and submit it to the Standards Program Administrator for editing and posting.</p> <p>The interpretation must provide clarity without expanding on any requirement.</p> <p>If an interpretation within the above stated condition cannot be written, or if the request reveals a reliability gap that requires changes to the standard, the drafting team should report to the Standards Committee of its conclusion, and recommend the appropriate corrective action to bridge the gap.</p> <p>If an agreement cannot be reached on an interpretation, seek the guidance of the Standards Committee.</p>
Standards Committee	<p>If guidance is sought, the Standards Committee shall meet as soon as reasonably possible to consider the request for guidance. The committee shall provide guidance as requested, which may include one of the following:</p> <ul style="list-style-type: none"> • Remand the interpretation to the requester and ask for modifications to narrow the focus or improve clarity • Direct the drafting team to move its interpretation forward
Director of Standards Process	Conduct quality review and recommend to the Standards Committee to post the interpretation for a parallel comment and ballot period, or remand to the drafting team for revision if the interpretation does not meet established Quality Review criteria or the interpretation goes beyond the strict construction and intent of the standard or expands the reach of the standard to correct a perceived gap or deficiency.
Standards Program Administrator	<p>Post the Request for Interpretation and the Proposed Interpretation for a 30-day formal comment period to include the following questions:</p> <ul style="list-style-type: none"> • Does this interpretation modify the intent of the approved standard? • Do you agree with this interpretation? If not, why not.
Drafting Team	Review and respond to all comments.

	<p>If the comments indicate that there is consensus for the interpretation, and either no changes or only minor changes are needed, submit the response to comments and a redline and clean version of the interpretation to the Director of Standards Process for quality review and request to post the interpretation for a 45-day formal comment period, with a ballot during the last 10 days of the comment period.</p> <p>If the comments indicate that there is not a consensus for the interpretation, consider revising the interpretation. If the interpretation can be revised without modifying the intent of the approved standard, develop a modified interpretation and submit the response to comments, and redline and clean versions of the interpretation to the Director of Standards Process for quality review and request to post for a 45-day comment period. Formation of the ballot pool takes place during the first 30 days of this 45-day comment period.</p>
Standards Program Administrator	<p>Post the Request for Interpretation and the Interpretation for a 45-day comment period.</p> <p>Announce the opening of the 45-day comment period and ballot pool window.</p> <p>Announce and conduct an Initial Ballot for the last 10 days of the 45-day comment period.</p> <p>Assemble comments submitted with comment forms and ballots and distribute to the Drafting Team.</p>
Drafting Team	<p>Review and respond to all comments.</p> <p>If the comments (or the results of the ballot) do not indicate consensus for the interpretation, either:</p> <ul style="list-style-type: none"> • Revise the interpretation and post for another comment and ballot period, or • Recommend that the interpretation be withdrawn and a SAR be entered into the standards process to revise the standard.
Standards Program Administrator	<p>Post the drafting team's response to comments.</p> <p>If the comments indicate consensus for the interpretation, announce and conduct a recirculation ballot for 10 calendar days.</p> <p>If the drafting team made significant revisions and resubmitted the interpretation for quality review, after the quality review is completed and the Director, Standards Process has recommended to the Standards Committee that the interpretation be posted for successive comment and ballot, post for a 30-day formal comment period with a successive ballot during the last 10 days of the comment period.</p>
Director, Standards	<p>If the drafting team has made significant revisions to the interpretation, I conduct another quality review and and recommend to the Standards Committee to post the interpretation for a parallel comment and ballot period, or remand to the drafting team for revision if the interpretation does not meet established Quality Review criteria or the interpretation goes beyond the strict construction and intent of the standard or expands the reach of the standard to correct a perceived gap or deficiency.</p> <p>If a recirculation ballot was conducted, submit the interpretation to the Board of Trustees for its approval.</p>

Board of Trustees	The Board shall adopt or reject the interpretation, but may not modify the proposed interpretation. If the board chooses not to adopt the interpretation, it shall provide its reasons for not doing so.
Standards Administrator	Append the interpretation to the board approved version of the standard, update the standard's version number, and send a notice of the approval to the standards list servers.
Director, Standards	Submit the interpretation (appended to the associated standard) to applicable governmental authorities for approval.
Standards Administrator	Once approval is received from applicable governmental authorities, modify applicable governmental approved version of the standard and send a notice to the standards list servers.

Template for Quality Review of an Interpretation of a NERC Reliability Standard

Basic Information:

Project number:

Standard Title:

Standard number:

Requirement number(s) for which interpretation is requested:

Requirement text:

Question or requested clarification :

Coordinator's name:

Draft date:

Draft number:

Date of review:

Reviewer's name:

Documents to be submitted by the Interpretation Drafting Team and provided to Quality Review Team:

- Approved Standard(s)
- Request for Interpretation
- Interpretation
- Report from IDT
- Supplemental Information from IDT

In circumstances where the drafting team has reported that it cannot develop an interpretation, the team should provide its reasons and recommend the appropriate corrective action to bridge the gap, including submitting a Standards Comments and Suggestions Form. The Drafting Team should provide the following documents for review so that the Standards Committee can ensure that the issue has been addressed:

- Approved Standard(s)
- Request for Interpretation
- Report from IDT
- Suggestions and Comments form prepared by IDT

1. Has the drafting team addressed all of the issue(s) for which clarification has been requested?

If the request asked for clarity on the required performance, was this provided?

If the request asked for clarity on the conditions under which the performance is required, was this provided?

If the request asked for clarity on which functional entity from the Applicability section of the standard is required to perform an action in a requirement, was this provided?

If the request asked for clarity on the reliability outcome, was this provided?

Comments:

2. Does the interpretation avoid modifying in any way the functional entity assigned responsibility for a requirement as identified in the standard?

Yes

No

Comments:

3. Does the proposed interpretation stay within the current scope and purpose of the approved Reliability Standard, without expanding the reach of the standard or attempting to address a perceived gap or deficiency in the approved standard?

Yes

No

Comments:

4. Is the interpretation stated in a clear and concise manner without the use of any ambiguous words or unnecessary explanatory information?

Yes

No

Comments:

5. Is the proposed interpretation consistent with other approved Reliability Standards?

Yes

No

Not Sure

Comments:

6. Is the language in the proposed interpretation consistent with the terminology used in the approved Reliability Standard, other approved Reliability Standards, and in the NERC Glossary of Terms?

Yes

No

Comments:

7. Does the interpretation potentially or materially expand the scope of the approved Reliability Standard?

Yes

No

Comments:

8. Identify any other issues in the proposed interpretation that you believe would adversely impact reliability:

Note: A valid interpretation request is one that requests additional clarity about one or more requirements in approved NERC reliability standards, but does not request approval as to how to comply with one or more requirements.

When completed, email this form to:
laura.hussey@nerc.net
For questions about this form or for assistance in completing the form, call Laura Hussey at 404-446-2579.

Request for an Interpretation of a Reliability Standard	
Date submitted:	
Contact information for person requesting the interpretation:	
Name:	
Organization:	
Telephone:	E-mail:
Identify the standard that needs clarification:	
Standard Number (include version number, e.g. PRC-001-1):	
Standard Title:	
Identify specifically what requirement needs clarification:	
Requirement Number and Text of Requirement:	
Identify the nature of clarification that is requested:	
<input type="checkbox"/> Clarify the required performance <input type="checkbox"/> Clarify the conditions under which the performance is required <input type="checkbox"/> Clarify which functional entity is responsible for performing an action in a requirement <input type="checkbox"/> Clarify the reliability outcome the requirement is intended to produce	
Please explain the clarification needed:	
Identify the material impact associated with this interpretation:	
Identify the material impact to your organization or others, if known, caused by the lack of clarity or an incorrect interpretation of this standard.	

Guidelines for Interpretation Drafting Teams

An Interpretation Drafting Team (IDT) is charged with providing a response to a request to interpret or clarify one or more requirements of a standard that has already been approved by stakeholders, the NERC Board of Trustees, and in some but not all cases, regulators (an approved Reliability Standard). The IDT must also document its reasoning in support of the interpretation.

An interpretation may only clarify or interpret the requirements of an approved Reliability Standard, including, if applicable, any attachment referenced in the requirement being clarified. No other elements of an approved Reliability Standard may be interpreted by an IDT.

An interpretation may not:

- be used to change an approved Reliability Standard or its applicability;
- address a gap or perceived weakness in the approved Reliability Standard;
- clarify or interpret sections of an approved Reliability Standard other than the requirements of the standard;
- provide an opinion on a particular approach to complying with the requirements.

Suggestions for Drafting Clear Interpretations

1. To the greatest extent possible, use the same terms as the requirement and the approved Reliability Standard being interpreted. Do not introduce new terms, even if they are understood to have the same meaning as the term used in the standard, unless it is necessary for clarification. For example, if the approved Reliability Standard uses the term “process,” the interpretation should not refer to a “procedure” instead of a process in the same context.
2. Identify the action (verb) in the requirement and its expected reliability outcome (meeting the intent of the requirement) and where appropriate, frame the interpretation in terms of what is needed to accomplish that action.
3. Avoid the use of words that cannot be clearly measured. For example, how can “ensuring” be measured? Who determines that something is “adequate”?
4. When an interpretation asks a “yes” or “no” question, the interpretation should contain a response that explains why the answer is either yes or no.
5. IDTs should consider whether revisions to the approved Reliability Standard have been made or are in progress, and take into account those changes when developing an interpretation.
6. Sometimes an interpretation may not be possible without expanding on the scope of the approved Reliability Standard. If the IDT believes it cannot draft an interpretation that stays within the bounds of the approved Reliability Standard, the IDT should report this to the Standards Process Manager without delay. If the request for interpretation involves multiple questions, and the IDT can address part of the request but not all of the questions, it should report this as well.
7. Some interpretations may require time for entities to become fully compliant. IDTs should consider this and if warranted, propose an implementation time frame.

This may have an impact on Regional Entity resource requirements. NERC will provide increased standard drafting team training to enable all drafting team members to understand their role in the standards development process. This added training will require additional resources at the NERC level in the near term.

13. NERC and the Regional Entities will:

- Increase communication and outreach opportunities with stakeholders and NERC standing committees;
- Increase project level communications, education, and training for new or revised standards;
- Continue to improve the standards portion of the NERC and Regional Entity Websites;
- Work with stakeholders to jointly identify needs for new or revised standards or standards products; and
- Provide the necessary information and background to allow the industry stakeholders to perform a cost effectiveness analysis.

These efforts will require additional resources to provide management oversight and accountability for these key standards interface and communication activities. At the NERC level this requires additional resources in Standards Information to support website content and regulatory coordination.

14. NERC will continue to transform its standards organization to sustain a higher level of activity, output and quality. It is anticipated that this effort will require additional Regional Entity and Industry resources and will require an increase in NERC resources including:

- Increased technical resources to support drafting teams in the development of results-based standards and associated training;
- Increased resources to support greater stakeholder outreach in the Standards information function;
- Dedicated support for standards database development and maintenance in support of the ERO compliance and standards information system; and
- Additional project management support for North American, standards development activity.

Meeting Minutes Standards Committee

Wednesday, April 13, 2011 | 8–5 p.m. Mountain
Thursday, April 14, 2011 | 8-3 p.m. Mountain

1. Administrative Items

A meeting of the Standards Committee was held on Wednesday, April 13 from 8 a.m. to 5 p.m. and Thursday, April 14 from 8 a.m. to 2 p.m. in Salt Lake City, Utah. The agenda, attendance list, and meeting announcement are affixed as Exhibits A, B, and C respectively.

Introductions and Quorum

Standards Committee Chair Allen Mosher led the introduction of committee members and determined there was a quorum. Allen reminded all that the conference call was open to all interested parties and everyone should recognize that it is not possible to know everyone who may be listening to the call.

NERC Antitrust Compliance Guidelines

Maureen Long reviewed the NERC Antitrust Compliance Guidelines.

Meeting Agenda and Waiver of 5-day Rule

Allen Mosher reviewed the meeting agenda and asked for modifications. The agenda was modified to add a new item 4a, to discuss a drafting team vacancy on the Operations Communications Protocols drafting team.

Jim Stanton motioned to approve the meeting agenda and waiver of 5-day Rule.

– *The motion was approved without objection or abstention.*

2. Consent Agenda

Carol Sedewitz motioned to approve or ratify the following consent agenda items:

- a. March 10, 2011 Standards Committee Meeting Minutes
- b. March 14, 2011 Standards Committee Executive Committee Meeting Minutes
- c. March 21, 2011 Standards Committee Executive Committee Meeting Minutes
- d. March 25, 2011 Standards Committee Executive Committee Meeting Minutes
- e. Project 2007-02 – Operations Communications Protocols – Appoint Glen Boyle of PJM Interconnection to the Drafting Team to Fill an Advertised Vacancy

- f. Project 2007-07 – Vegetation Management – Appoint Orville Cocking of Con Edison to the drafting team and appoint John Schechter of American Electric Power to serve as Vice Chair of the drafting team
- g. Drafting Team Roster Changes – Accept the Resignations of the following drafting team members:

Project 2007-03 – Real-time Operations

- Ryan Johnson of NRG
- Paul Olson of SMUD

Project 2007-07 Vegetation Management Standard Drafting Team Recommendation

- Randall H. Miller of PacifiCorp
- Stephen Genua of Pepco Holdings
- George Czerniewski of Con Edison

Project 2009-02 Real-time Monitoring and Analysis Capabilities

- Scott Vidler of HydroOne
- Tom Bradish of RRI Energy

– *The motion was approved without objection or abstention.*

3. High Priority Projects, Activities, and Action Items

a. Status of Projects Identified as High Priority

Andy Rodriguez reviewed the status of high priority projects and provided an explanation for the projects that are behind schedule. Andy cautioned that the project schedules provided in the Standards Committee agenda have not been adjusted to reflect the shortening of project durations associated with having coordinators work on a fewer number of projects.

b. Coordination Between BES Definition Team and BES Definition Rules of Procedure Team

Herb Schrayshuen reported that both teams are staffed and the teams will be posting their respective work products for a formal comment period later this month. The intent is to post the definition first and the Rules of Procedure changes shortly thereafter, with a 2 week overlap in the posting and a webinar during the time period when both are posted. Both teams are working towards addressing the directives and meeting the schedule for delivery to FERC.

Peter Heidrich reported that the scope of the BES Definition team was expanded to include the “evidence” (what an entity has to produce to support a request for an exception) piece of the project. The development of the “evidence” piece was started by the ROP team and will be handed off to the BES Definition team within a week.

While work to identify what “evidence” is required to support a request for an interpretation is moving to the BES Definition Team, no decision has been made yet on where to put this information once it is developed. A decision on the final location will not take place until after the upcoming comment period so that stakeholder views may be considered.

c. Pilot Project to Draft Initial Set of Requirements Using Small Team

Andy Rodriguez provided an update on the work done to date to outline a process for using a small team to draft an initial draft of a proposed standard that would be submitted to the Standards Committee with a request to post the proposed standard with its associated SAR for stakeholder comment. As envisioned, another drafting team will be formed by the Standards Committee, following the Standard Processes Manual, to address comments on the SAR and draft standard, and the drafting team assigned by the Standards Committee is the team that would complete the development of the standard.

Andy reported that the pilot project will address Misoperations and that the initial team has been identified. The team includes both staff and stakeholders with technical expertise with assistance from a lawyer and a technical writer.

d. Progress in Communicating Project Priority with Drafting Teams

Allen Mosher reported that he has finalized drafting a letter to distribute to drafting teams. The letter asks teams to report back to the Standards Committee identifying whether the team intends to continue its work informally or bring its project to a stopping point and defer future work until their project rises higher in the priority list. The decision is left to each team.

e. SC Goals and Action Items (Exhibit D)

Allen Mosher led a discussion and an update to the Standards Committee's action items and goals. The updated list of Action Items from the March and April committee meetings is included at the end of the meeting minutes. The updated strategic goals table is included in the meeting minutes as Exhibit D.

f. System Restoration and Blackstart Resources Standard Drafting Team and IROL Standard Drafting Team Thanked and Disbanded

Allen Mosher has written letters of thanks for the members of the System Restoration and Blackstart Standard Drafting Team and the members and will write letters to the Interconnection Reliability Operating Limits Standard Drafting Team. Both teams had their proposed standards and definitions approved by FERC on March 17, 2011, and the associated Orders did not contain any specific directives to make conforming changes to the approved standards. With the transmittal of these "thank you" letters, these teams are being officially disbanded.

4. Standards Actions

a. Project 2009-02 Real-time Monitoring and Analysis Capabilities and Project 2007-02 – Operations Communications Protocols – Determine Whether to Seek Replacements for Drafting Team Vacancies

The committee determined that both vacancies should be advertised and filled.

b. Recommended Actions for Outstanding Interpretations (Exhibit E)

Linda Campbell motioned to endorse staff's recommended actions for the outstanding interpretation requests (as updated during the meeting), with action deferred on items dependent upon BOT SOTC action (Project 2009-19 and Bridgeport Energy RFI) pending resolution on what constitutes "strict construction" per the Board of Trustees' November 2009 Guidance on Interpretations.

– *The motion was approved with one objection (Jason Shaver) and one abstention (Linn Oelker).*

- Staff agreed to work with the Standards Committee officers in developing a letter for distribution to entities with interpretation requests that are being rejected. These letters will include the reason for the rejection, availability of the CAN process, availability of bringing a complaint to the Standards Committee, and a reminder of the appeals process.

c. Direct Staff to Solicit Nominations for a Cyber Security Interpretation Drafting Team

Linda Campbell motioned to authorize staff to solicit nominations for a Cyber Security Interpretation Drafting Team.

– *The motion was approved without objection or abstention.*

The committee recommended that the nomination form ask for the specific area of expertise (physical, cyber, operations, training, etc.) on the information submitted with a nomination.

5. Standards Process

a. Interpretation Procedure

Jason Shaver motioned to approve the revised Interpretation Procedure.

– *The motion was approved without objection or abstention.*

b. Template for Quality Review of Interpretations

Jason Shaver motioned to approve use of the Template for Quality Review of Interpretations and direct staff to coordinate its reviews using three individuals, representing standards, compliance and legal perspectives.

– *The motion was approved without objection or abstention.*

c. Revised Request for Interpretation Form

Frank McElvain motioned to approve use of the revised Request for Interpretation form.

– *The motion was approved without objection or abstention.*

d. Guidelines for Interpretation Drafting Teams

Joe Tarantino motioned to approve use of the Guidelines for Interpretation Drafting teams as amended during the meeting.

– *The motion was approved without objection or abstention.*

e. SC Charter Revisions

Linda Campbell motioned to approve the charter as amended during the meeting.

– *The motion was approved with three objections (Jason Shaver, Lou Slade, and Robert Blohm) and no abstentions.*

f. Consideration of Comments on Project Prioritization Tool and Conforming Changes to Tool and Reference Document

Linda Campbell motioned to approve the Consideration of Comments report, Project Prioritization Tool, and the *Standards Committee Process for Standards Project Identification, Prioritization, and Monitoring* reference document for posting.

- *The motion was approved without objection or abstention.*

The Process Subcommittee formed a group to work on refinement of the tool, considering comments from stakeholders for approval during the July SC meeting.

g. Status of Revising Roles and Responsibilities Document — Discussion

The Standards Committee deferred action in revising the Roles and Responsibilities document pending approval of the proposed Rule 321 addition to the Rules of Procedure. The committee will discuss plans to update the Roles and Responsibilities document.

Allen Mosher proposed the following changes for the July SC meeting:

- Include coordination with regional standards development
- Include expectation that NERC staff provide its technical comments in advance

h. Pro Forma VSLs Status

Terry Bilke provided an update on his efforts to gain support for a set of pro forma VLSs. The Standards Committee proposed the following action plan:

1. Put the pro forma VSL proposal in front of the legal and enforcement staffs at NERC and the Regions
2. See what FERC's reaction is;
3. If supported by NERC, the Regions and FERC, file for approval (generic filing with application in a standard already approved by FERC and identify the differences in penalties associated with the two versions of VSLs)

i. Preliminary Analysis of Success with 2010 Expedited Balloting

Maureen Long provided a table that shows the expedited ballot actions approved, the dates the standards were anticipated to be presented to the board and the actual dates the standards were submitted to the board. The committee asked that the table be updated to reflect the quorums and approvals achieved.

j. Other Process Subcommittee Activities

Ben Li reported on two activities of the Process Subcommittee:

- The Process Subcommittee was charged with considering how to address cost considerations associated with new/revised reliability standards. Ben reported that the NPCC is looking at developing cost figures when assessing the quality benefits of a standard and volunteered to share NPCC's findings with the Process Subcommittee. The subcommittee accepted this offer and will monitor and report to the full Standards Committee.
- The Process Subcommittee also recommends that the next time the Standard Processes Manual is updated, revisions should be made to clarify that the Standards Committee "approves" moving a SAR forward to standard development.

- The Process Subcommittee also recommends adding the following to SARs to allow drafting teams a reasonable amount of flexibility:
 - The development may include other improvements to the standards deemed appropriate by the drafting team, with the consensus of stakeholders, consistent with establishing high quality enforceable and technically sufficient reliability standards.
- The committee recommended that the Reliability Standard Development Plan have different levels of detail in its project descriptions, with high level descriptions for projects three years away from initiation, and more detailed descriptions for projects that will start in the coming year.

6. Communications

a. Update on Standards Web Pages

Kristin Iwanechko provided an update on the work she's been doing to update the various web pages that reflect BOT, FERC, and regulatory approvals of standards and VRFs and VSLs.

Kristin indicated that NERC will be distributing a notice following web page updates to reflect new approval/effective dates.

Kristin also reported that work on a relational database is ongoing and contains the standards as well as other information. Another vendor is working to check the accuracy of data between web pages and that work is also underway.

b. Report on Standards and Compliance Workshop

Mallory Huggins reported that the Standards and Compliance workshop was very successful with preliminary feedback indicating that this was the best Standards and Compliance workshop held to date. Mallory attributed the success to the work from the Communications and Planning Subcommittee in adopting recommendations from the prior workshop. Mallory reported that the workshop was held 'live' and also as a 'webinar' and the 'webinar' was successful in reaching out and making the information available to entities that couldn't travel to the meeting.

The next workshop will be held in the fall of 2011 in Atlanta.

c. Other Subcommittee Activities

Anne Brown, Vice Chair of the Communications and Planning Subcommittee reported that the subcommittee has been working on the following:

- The subcommittee has written a "White Paper" on the standards process and the paper has been posted on the standards web site. The subcommittee is going to distribute the paper through the Regional Communication Subcommittee.
- The subcommittee is looking at Regional Standards web sites with a goal of sharing its findings with NERC staff.
- The subcommittee identified the need to publicize the availability and intended use of the Comments and Suggestions Form. The subcommittee will review and revise the form's content before communicating its availability

- The subcommittee is planning to sponsor webinars on standards activities, with the first webinar tentatively scheduled for June, 2011. As envisioned, the webinar would open with Allen Mosher discussing strategic goals; followed by an update to the Reliability Standard Development Plan; followed by other topics to show good progress in meeting goals.
- The subcommittee is formalizing a network to reach out to more smaller entities

7. Coordination

a. Coordination with Regulatory and Governmental Authorities (A. Dressel)

Andrew Dressel provided an update on regulatory activities since the last Standards Committee meeting. With additional staff and recent staff rearrangements, the legal department is making good progress in working with the standards staff to file approved standards and interpretations.

b. Coordination with Regional Managers

Herb Schrayshuen provided an update on the work of the Regional Standards Managers group. Herb reported that the budget assumptions for 2012 were developed cooperatively with the Regions and will be posted for stakeholder comment in late April.

c. Coordination with Technical Committees

Allen Mosher provided an update on the joint effort to work with NERC's technical committees in refining the definition of an adequate level of reliability (ALR).

The committee identified several issues that need resolution either separately or as part of the refinement of the characteristics of ALR, including the following:

- Situational nature of ALR:
 - ALR might not be the same everywhere at all times
 - Need to resolve issues associated with acceptable load loss – this appears situational
 - Not discussion on “where” reliability is occurring
- Need to identify what are ‘credible’ contingencies:
 - Plan and design with specific performance levels – credible contingencies – expected known events
 - no matter how prepared we are, there are events that are not preventable and for these we need to establish a requirement for a performance objective
- Some existing measures are carry-overs from Version 0 and aren't necessarily measures of reliability performance
- Need to preserve the facilities

8. Executive Committee Actions

Frank McElvain motioned to pre-authorize the Standards Committee's Executive Committee to take action on the following item if it is ready before May 12, 2011:

First Quarter Ballot Results Report — Approve for inclusion in a filing with FERC by April 30, 2011

- First Quarter Ballot Results Report — Approve for inclusion in a filing with FERC by April 30, 2011
 - *The motion was approved without objection or abstention.*

9. **Adjourn**

Outstanding Action Items from March and April SC Meetings

Activity	Entire Standards Committee	Executive Committee	Standards Committee Officers	Process Subcommittee	Comm. & Planning Subcommittee	Staff	Status
03132011_1_ Send a thank you note to each member of the SC C&P Subcommittee who volunteered and is no longer continuing with the subcommittee					Mike Gildea		
03132011_6_ Review process for replacing drafting team members (when an employee appointed to a drafting team changes jobs, some entities recommend another employee as a replacement; some teams working on lower priority projects are recommending drafting team replacements)s				Subcommittee			
03132011_7_ Distribute a letter to the drafting teams to formalize the process for finding a logical stopping point and putting the projects on hold or continuing without staff support.			Allen Mosher			Herb Schrayshuen	
03132011_8_ Develop a proposal to integrate the consideration of reliability				Subcommittee			Process Subcommittee reported this is

Outstanding Action Items from March and April SC Meetings

Activity	Entire Standards Committee	Executive Committee	Standards Committee Officers	Process Subcommittee	Comm. & Planning Subcommittee	Staff	Status
improvements versus costs into standard development and approval. – are there simple questions we can ask stakeholders in comment forms for cost benefit feedback							in progress – monitoring NPCC actions
03132011_9_Develop some criteria for analysis of effectiveness last year’s balloting.			Ben Li			Maureen Long	Initial table distributed to SC; will update with % quorum and approval for May 2011 Mtg
04142011_1_Develop a project web page for the pilot project addressing Misoperations						Monica Benson Andy Rodriquez	
04132011_2_Notify SDT members of changes to rosters						Andy Rodriquez Eleanor Crouch	
04132011_3_Draft a letter for distribution to entities with Requests for Interpretation that don’t meet the criteria for			Allen Mosher Ben Li			Laura Hussey	

Outstanding Action Items from March and April SC Meetings

Activity	Entire Standards Committee	Executive Committee	Standards Committee Officers	Process Subcommittee	Comm. & Planning Subcommittee	Staff	Status
acceptance - include the reason for the rejection, availability of the CAN process, availability of bringing a complaint to the Standards Committee, and a reminder of the appeals process							
04132011_4_Solicit nominations for a Cyber Security Interpretation Drafting Team - ask for the specific area of expertise (physical, cyber, operations, training, etc.) on the information submitted with a nomination						Howard Gugel Andy Rodriquez Laura Hussey	
04132011_5_ post the Consideration of Comments report, Project Prioritization Tool, and the Standards Committee Process for Standards Project Identification, Prioritization, and Monitoring reference document for posting.						Laura Hussey	
04132011_6_update the Roles and Responsibilities Document;			Allen Mosher			Herb Schrayshuen	Due for July 2011 SC

Outstanding Action Items from March and April SC Meetings

Activity	Entire Standards Committee	Executive Committee	Standards Committee Officers	Process Subcommittee	Comm. & Planning Subcommittee	Staff	Status
Include coordination with regional standards development Include expectation that NERC staff provide its technical comments in advance Notify Ken Peterson of status						Maureen Long Laura Hussey	meeting
04132011_7_post information for July 2011SC meeting in Portland OR as soon as possible						Monica Benson	
04132011_8_Add to next BOT report clarification on Plans for RBS implementation (not all standards converting)			Allen Mosher			Maureen Long Herb Schrayshuen	
04132011_9_Send letter to CCC Chair re moving VRFs and VSLs forward			Allen Mosher				
04132011_10_Share Pro Forma VSLs with NERC and Regional enforcement and legal staffs; if supported share with FERC staff; if supported file with FERC				Terry Bilke			

Outstanding Action Items from March and April SC Meetings

Activity	Entire Standards Committee	Executive Committee	Standards Committee Officers	Process Subcommittee	Comm. & Planning Subcommittee	Staff	Status
04132011_11_Update Drafting Team Vacancy table to solicit a CA rep for Project 2009-02 and additional representative for Project 2007-02							
04132011_12_Refinement Project Prioritization tool considering comments from stakeholders for approval during the July SC meeting				Subcommittee			

Agenda Standards Committee

Wednesday, April 13, 2011 | 8–5 p.m. Mountain
Thursday, April 14, 2011 | 8-3 p.m. Mountain

WECC
155 North 400 West, Suite 200
Salt Lake City, Utah

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

1. Administrative Items

- a. Introductions and Quorum* (A. Mosher)
- b. Conference Call Reminder
- c. NERC Antitrust Compliance Guidelines* (M. Long)
- d. Meeting Agenda — **Approve** (A. Mosher)
- e. Waiver of 5-day Rule — **Approve** (A. Mosher)

2. Consent Agenda

- a. March 10, 2011 Standards Committee Meeting Minutes* — **Approve**
- b. March 14, 2011 Standards Committee Executive Committee Meeting Minutes* — **Ratify**
- c. March 21, 2011 Standards Committee Executive Committee Meeting Minutes* — **Ratify**
- d. March 25, 2011 Standards Committee Executive Committee Meeting Minutes* — **Ratify**
- e. Project 2007-02 – Operations Communications Protocols – Appoint a Member to the Drafting Team to Fill and Advertised Vacancy* **Confidential (To be sent separately)** — **Appoint**
- f. Project 2007-07 – Vegetation Management – Appoint a Member to the Drafting Team and Appoint a Vice Chair* **Confidential (To be sent separately)** — **Appoint**
- g. Drafting Team Roster Changes – Accept the Resignations of Several Members of Drafting Teams* **Confidential (To be sent separately)** — **Accept**

3. High Priority Projects, Activities, and Action Items

- a. Status of Projects Identified as High Priority* (A. Rodriguez)

- Review of Projects Behind Schedule
 - b. Coordination Between BES Definition Team and BES Definition Exception Process Rules of Procedure Work Group (H. Schrayshuen)
 - c. Pilot Project to Draft Initial Set of Requirements Using Small Team (A. Rodriguez)
 - d. Progress in Communicating Project Priority with Drafting Teams (A. Mosher and H. Schrayshuen)
 - e. SC Goals and Action Items (A. Mosher)
 - Status of Action Items from March 2011 Meeting*
 - 2011 SC Strategic Goals*
 - 2011 Corporate Goals Supported by SC Strategic Goals*
 - f. System Restoration and Blackstart Resources Standard Drafting Team and IROL Standard Drafting Team Thanked and Disbanded
- 4. Standards Actions**
- a. Project 2009-02 Real-time Monitoring and Analysis Capabilities – Determine Whether to Seek a Replacement for a Drafting Team Vacancy (A. Rodriguez)
 - b. Recommended Actions for Outstanding Interpretations* (L. Hussey)
 - c. Direct Staff to Solicit Nominations for a Cyber Security Interpretation Drafting Team (L. Hussey)
- 5. Standards Process** (B. Li and L. Campbell)
- a. Interpretation Procedure* — **Approve**
 - b. Template for Quality Review of Interpretations * — **Endorse**
 - c. Revised Request for Interpretation Form * — **Endorse**
 - d. Guidelines for Interpretation Drafting Teams * — **Endorse**
 - e. SC Charter Revisions* — **Approve (Final to be sent separately)**
 - f. Consideration of Comments on Project Prioritization Tool and Conforming changes to Tool and Reference Document — **Approve (Finals to be sent separately)**
 - g. Status of Revising Roles and Responsibilities Document*
 - h. Pro Forma VSLs Status* (T. Bilke)
 - i. Preliminary Analysis of Success with 2010 Expedited Balloting (M. Long)
 - j. Other Process Subcommittee Activities (B. Li and L. Campbell)
- 6. Communications**
- a. Update on Standards Web Pages (H. Schrayshuen)
 - b. Report on Standards and Compliance Workshop (M. Huggins)
 - c. Other Subcommittee Activities (A. Brown)

7. Coordination

- a. Coordination with Regulatory and Governmental Authorities (A. Dressel)
- b. Coordination with Regional Managers (H. Schrayshuen)
- c. Coordination with Technical Committees (A. Mosher)

8. Informational Items

- a. Drafting Team Vacancies*
- b. Reliability Standard Development Plan - Filed Version*
- c. Reliability Metrics and Integrated Risk Assessment*
- d. ERO Budget Assumptions*

9. Executive Committee Actions (M. Long)

- a. Items expected to come before the Standards Committee's Executive Committee before May12, 2011 (**Pre-authorize**)
 - First Quarter Ballot Results Report — Approve for inclusion in a filing with FERC by April 30, 2011

10. Adjourn

*Background materials included.

1. **Administrative Items**

- a. **Introductions and Quorum** — Allen Mosher will lead the introduction of committee members and determine if there is a quorum.
- b. **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 web site 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.
- c. **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.
- d. **Meeting Agenda** — Allen Mosher will review the meeting agenda and ask for modifications before the agenda is approved.
- e. **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**

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. March 10, 2011 Standards Committee Meeting Minutes
- b. March 14, 2011 Standards Committee Executive Committee Meeting Minutes
- c. March 21, 2011 Standards Committee Executive Committee Meeting Minutes
- d. March 25, 2011 Standards Committee Executive Committee Meeting Minutes
- e. Project 2007-02 – Operations Communications Protocols – Appoint a Member to the Drafting Team to Fill an Advertised Vacancy
- f. Project 2007-07 – Vegetation Management – Appoint a Member to the Drafting Team and Appoint a Vice Chair

- g. Drafting Team Roster Changes – Accept the Resignations of Several Members of Drafting Teams

3. **High Priority Projects, Activities, and Action Items**

- a. Status of Projects Identified as High Priority *

Andy Rodriguez will review the status of high priority projects, with a focus on the following projects that are experiencing issues causing project delays.

- Vegetation Management
- Real-Time Transmission Operations
- Generator Verification
- Operating Personnel Communication Protocols
- Definition of BES

- b. Coordination Between BES Definition Team and BES Definition Rules of Procedure Team

Herb Schrayshuen will provide an update on the work of the BES Definition Rules of Procedure Team and efforts made to ensure close coordination between the two teams working on different aspects of the collective response to Order 743.

- c. Pilot Project to Draft Initial Set of Requirements Using Small Team

Andy Rodriguez will provide an update on the work done to date to outline a process for using a small team to draft an initial draft of a proposed standard that would be submitted to the Standards Committee with a request to post the proposed standard with its associated SAR for stakeholder comment. As envisioned, another drafting team will be formed, following the Standard Processes Manual, to address comments on the SAR and draft standard, and the drafting team assigned by the Standards Committee is the team that would complete the development of the standard.

- d. Progress in Communicating Project Priority with Drafting Teams

Allen Mosher and Herb Schrayshuen will review the steps they've taken to reach out to drafting teams that are not working on the highest priority projects, and help them identify a logical stopping point or a process for continuing to work on their project with limited staff support.

- e. SC Goals and Action Items

Allen Mosher will walk the committee through its outstanding action items and then will review the work done by the Standards Committee's Executive Committee in developing some interim milestones and deliverables for the Standards Committee's 2011 Strategic Goals. Finally, Allen will review a document that maps the Standards Committee's Strategic Goals to the ERO's strategic goals to identify additional areas where the Standards Committee may choose to add a new or modified goal for even closer alignment between the SC and ERO goals.

- Status of Action Items from March 2011 Meeting
- 2011 SC Strategic Goals

- 2011 Corporate Goals Supported by SC Strategic Goals
- f. System Restoration and Blackstart Resources Standard Drafting Team and IROL Standard Drafting Team Thanked and Disbanded

Allen Mosher has written letters of thanks for the members of the System Restoration and Blackstart Standard Drafting Team and the members of the Interconnection Reliability Operating Limits Standard Drafting Team. Both teams had their proposed standards and definitions approved by FERC on March 17, 2011, and the associated Orders did not contain any specific directives to make conforming changes to the approved standards. These teams are being officially disbanded.

4. Standards Actions

- a. Project 2009-02 Real-time Monitoring and Analysis Capabilities – Determine Whether to Seek a Replacement for a Drafting Team Vacancy

Background: Project 2009-02 – Real-time Monitoring and Analysis Capabilities, was ranked as number 19 in the Standards Committee’s February 2011 list of prioritized projects. Despite the low ranking, the team has decided to continue its work with little or no staff support and would like to fill a vacant position on the team. The vacancy, if left unfilled, would result in the team having no Canadian representation on the drafting team.

Request: Authorize advertising and filling the vacant position on the Real-time Monitoring and Analysis Capabilities standard drafting team.

- b. Recommended Actions for Outstanding Interpretations

Background: In October, 2010 the Standards Committee directed staff to stop accepting any new interpretations pending the development and approval of a more formal procedure for processing interpretations. That procedure was approved for draft use in March, 2011 and is expected to be approved in its final format during the April 2011 Standards Committee meeting. The standards staff is ready to move forward in addressing the outstanding interpretations, using the new procedure for processing interpretations.

Laura Hussey will review the current status of each of the outstanding requests for an interpretation and recommend the next actions based on a review of the work already done to date, the guidance provided by the Board of Trustees in November 2009 regarding interpretations, and the need to prioritize the next steps with interpretations along with other standard development projects.

Request: Endorse the proposed actions for outstanding interpretations.

- c. Direct Staff to Solicit Nominations for a Cyber Security Interpretation Drafting Team

Background: Several of the outstanding interpretations address clarity of Cyber Security standards. The new Interpretation Procedure recommends use of a limited number of members of existing standard drafting teams to serve as an associated interpretation drafting team. Because we expect to continue to receive requests for interpretation of the Cyber Security standards, and because the Cyber Security standard drafting team is already burdened with revising eight significant standards, staff recommends the

formation of a separate interpretation drafting team to address Cyber Security interpretation requests.

Request: Authorize staff to solicit nominations for a Cyber Security Interpretation Drafting Team.

5. **Standards Process**

a. Interpretation Procedure

Background: The Standards Committee's Process Subcommittee has made minor adjustments to the Interpretation Procedure that was approved for pilot use during the Standards Committee's March, 2011 meeting.

Request: Approve the Interpretation Procedure.

b. Template for Quality Review of Interpretations

Background: The Standard Processes Manual requires that staff coordinate a Quality Review before an Interpretation is posted for formal comment periods. The Standards Committee's Process Subcommittee has drafted a template for use in conducting a Quality Review of an interpretation.

Request: Endorse trial use of the Template for Quality Review of Interpretations.

c. Revised Request for Interpretation Form

Background: The Standard Processes Manual limits the use of interpretations to addressing clarity of requirements in approved standards. The interpretation form used in the past did not provide sufficient guidance to stakeholders on the limitations associated with the range of interpretations that could be requested.

Request: Endorse trial use of the revised Request for Interpretation form.

d. Guidelines for Interpretation Drafting Teams

Background: The guidance previously provided to Interpretation Drafting Teams did not reflect the November 2009 Board of Trustees resolutions regarding interpretations.

Request: Endorse trial use of the Guidelines for Interpretation Drafting Teams.

e. SC Charter Revisions

Background: During the March 2011 Standards Committee meeting the committee reviewed a set of proposed revisions to the charter. The revisions include those identified in 2010 to support changing the membership of the Standards Committee to include a chair and vice chair without industry segment representation (and no voting rights) in addition to two representatives from each Industry Segment and a minimum of two voting representatives from Canada. An additional modification supports the Standards Committee's new goal of coordinating its activities with Regional Standards development activities. A third revision would shorten the time period required for public notice of actions without a meeting from 10 calendar days to three calendar days to support the need for quick action with email ballots.

The Process Subcommittee was tasked with reviewing the modifications already identified and determining if any additional modifications are needed. A final version of the

proposed changes will be submitted to the Standards Committee for review immediately following the Process Subcommittee's meeting on April 12, 2011.

Request: Approve the revised SC Charter so that it can be submitted for approval by the Board of Trustees during its May, 2011 meeting.

f. Consideration of Comments on Project Prioritization Tool and Conforming Changes to Tool and Reference Document

Background: The Standards Committee posted its Project Prioritization Tool and associated reference document for a public comment period from January 21 through February 10, 2011. The committee used feedback from this comment period to make adjustments to the ratings assigned to standard projects and assigned the Process Subcommittee the task of providing a formal response to all comments, with recommendations for conforming changes to the tool and reference document.

A final version of these documents will be submitted to the Standards Committee for review immediately following the Process Subcommittee's meeting on April 12, 2011.

Request: Approve the Consideration of Comments report, Project Prioritization Tool, *Standards Committee Process for Standards Project Identification, Prioritization, and Monitoring* reference document for posting.

g. Status of Revising Roles and Responsibilities Document — Discussion

Background: In an October 1, 2009 letter to the NERC Standards Committee (SC) Mr. John Q. Anderson, Chairman of the NERC Board of Trustees (BOT), requested the SC to carry out the following action:

"NERC board to direct changes to the Roles and Responsibilities document (approved by the Standards Committee in March 2009) in order for that document to incorporate the board's expectation that NERC staff will provide the board with its technical evaluations of reliability standards proposed for adoption by the board, including assurance that the reliability standards can be complied with and are auditable."

Mr. Anderson's request was based on a statement in Attachment 2 of the NERC Three-Year ERO Performance Assessment on the role of NERC staff in reliability standards development (emphasis added):

"The board's CGHR committee has also discussed the appropriate role of NERC staff in the standards development process, including the role of NERC staff when standards approved by the industry ballot pool are presented to the NERC board for adoption. The CGHR did not make specific recommendations to the board on this issue, but deferred to the Standards Committee to address this issue in the Roles and Responsibilities document. Because the board believes it is important to have NERC staff provide the board a technical evaluation of standards presented for adoption, including assurance that the proposed standards can be complied with and are auditable, and since this point presently is not addressed in the Roles and Responsibilities document, the board will direct the Standards Committee to address this issue in a further revision to the document."

The Standards Committee deferred action in revising the Roles and Responsibilities document pending approval of the proposed Rule 321 addition to the Rules of Procedure. The committee will discuss plans to update the Roles and Responsibilities document.

h. Pro Forma VSLs Status

Background: One of the Standards Committee's strategic goals is to promote the approval of the use of "pro forma" Violation Severity Levels (VSLs) as an efficient replacement for the current practice of developing very specific VSLs to address a range of possible noncompliant performance.

Terry Bilke is working on this effort with the Compliance and Certification Committee and will provide an update on the status.

i. Preliminary Analysis of Success with 2010 Expedited Balloting

Background: During 2010 the Standards Committee authorized several unique ballots in an attempt to move standards through the process so that they were completed for presentation to the Board of Trustees on specific dates.

Maureen Long will provide an update comparing the actions approved, the dates the standards were anticipated to be presented to the board and the actual dates the standards were submitted to the board.

j. Other Process Subcommittee Activities

Ben Li and Linda Campbell will report on Process Subcommittee activities planned or under development for delivery to the Standards Committee during 2011.

6. Communications

a. Update on Standards Web Pages

Herb Schrayshuen will provide a report on the status of updating the Standards web pages.

b. Report on Standards and Compliance Workshop

Mallory Huggins will provide a report on the March 30-April 1, 2011 Standards and Compliance workshop.

c. Other Subcommittee Activities

Anne Brown, Vice Chair of the Communications and Planning Subcommittee will report on the subcommittee's activities planned or under development for implementation during 2011.

7. Coordination

a. Coordination with Regulatory and Governmental Authorities (A. Dressel)

Andy Dressel will provide an update on regulatory activities since the last Standards Committee meeting.

The following standards-related Rules of Procedure changes have been posted for stakeholder comment through April 15, 2011:

- Appendix 3B Election Procedure for Members of NERC Standards Committee

- Appendix 3D Registered Ballot Body Criteria
- b. Coordination with Regional Managers

Herb Schrayshuen will provide an update on the work of the Regional Standards Managers group.
 - c. Coordination with Technical Committees

Allen Mosher will provide an update on the joint effort to work with NERC's technical committees in refining the definition of an adequate level of reliability (ALR). A task force will be formed with representatives from each of the committees, including the Standards Committee. Laura Lee of Duke Energy, a member of the Standards Committee's Process Subcommittee, has been asked to serve as one of the Standards Committee's members on this task force once it is formed. Linda Campbell, Allen Mosher and Maureen Long will also represent the Standards Committee in this effort.
- 8. Informational Items**
- a. Drafting Team Vacancies
 - b. Reliability Standard Development Plan - Filed Version
 - c. Reliability Metrics and Integrated Risk Assessment
 - d. ERO Budget Assumptions
- 9. Executive Committee Actions**
- a. Pre-authorize the Standards Committee's Executive Committee to take action on the following items if they are submitted for Standards Committee action before May 12, 2011:
 - First Quarter Ballot Results Report — Approve for inclusion in a filing with FERC by April 30, 2011
- 10. Adjourn**

Standards Committee April 13-14, 2011 Attendance List

Segment	Name	Company	Attendance
Chairman Segment 4-2010-11	Allen Mosher	American Public Power Association	x
Vice Chairman Segment 2-2010-11	P.S. (Ben) Li	Ben Li Associates, Inc.	x
Segment 1-2010-11	Carol Sedewitz	National Grid	x
Segment 1-2011-12	Jason Shaver	American Transmission Company, LLC	x
Segment 2-2011-12	Patrick Brown Terry Bilke as Proxy	PJM	x
Segment 3-2011-12	Ronald G. Parsons	Alabama Power Company	x
Segment 4-2011-12	Joseph Tarantino	Sacramento Municipal Utility District	x
Segment 5-2009-10	Michael F. Gildea Louis Slade as Proxy	Dominion Resources Services	x
Segment 6-2010-11	Alice Murdock Ireland (day 1 only) Linn Oelker (proxy for day 2)	Xcel Energy, Inc.	x x
Segment 6-2011-12	Silvia Parada Mitchell	NextEra Energy, Inc.	x
Segment 7-2010-11	Frank McElvain	Siemens Energy	x
Segment 7-2011-12	John A. Anderson	Electricity Consumers Resource Council	
Segment 8-2010-11	James R. Stanton	SPS Energy	x
Segment 8-2009-10	Michael Goggin	American Wind Energy Association	
Segment 9-2009-10	Diane Barney (day 2 only) Robin Lunt (proxy for day 1)	New York State Public Service Commission NARUC	x x
Segment 9-2010-11	Klaus Lambeck (day 1 only) Kim Jones (proxy for day 2)	Ohio Public Utilities Commission	x x
Segment 10-2010-11	Linda Campbell	Florida Reliability Coordinating Council	x

Segment 10-2009-10	Steve Rueckert	Western Electricity Coordinating Council	x
Canada	Robert Blohm	Keen Resources Ltd.	x
Secretary	Maureen Long	NERC	x

Guests from Board of Trustees Standards Oversight and Technology Committee:

- Kenneth Peterson

NERC Staff

- Ed Dobrowolski
- Andrew Dressel
- Howard Gugel
- Mallory Huggins
- Laura Hussey
- Kristin Iwanechko
- Andy Rodriguez
- Herb Schrayshuen
- David Taylor

Observers:

- Anne Brown, FRCC
- John Bussman, AECI
- Sam Ciccone, FirstEnergy
- Jose Escamilla, CPS Energy
- Cory Galik, NAESB
- Carol Gerou, MRO
- Peter Heidrich, FRCC
- Bob Hinkel, Customized Energy Solutions
- Doug Hohlbaugh, FirstEnergy
- Pat Huntley, SERC
- Don Jones, Texas RE
- Lorissa Jones, BPA
- David Kiguel, HydroOne
- Barry Lawson, NRECA
- Laura Lee, Duke Energy
- Jason Marshall, ACES Power Marketing
- Jean Nitz, ACES Power Marketing
- Linn Oelker, LG&E and KU Energy LLC
- Keith O'Neal, FERC
- Tom Schneider, WECC
- Guy Zito, NPCC

NERC

NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION



Standards Committee Meeting

April 13, 2011 | 8-5 p.m. MDT

April 14, 2011 | 8-3 p.m. MDT

Salt Lake City, Utah

If you have not already done so, please register for the upcoming meeting April 13-14.

Registration and hotel information is available on the NERC calendar or by clicking here:

<http://www.nerc.net/meetingregistrations/Committee.aspx?meetingdate=4/13/2011&meetingtype=SC>

<http://www.nerc.net/meetings/details.asp?id=3150>

Monica Benson

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Standards Committee’s 2011 Strategic Goals

<i>Policy Issues Involving BOT, FERC, NERC Executives</i>						
Activity	Entire Standards Committee	Executive Committee	Standards Committee Officers	Process Subcommittee	Communications & Planning Subcommittee	Other
a. Capitalize on relationship with the BOT Standards Oversight and Technology Committee (BOTC); ensure SC work plan aligns with the BOTC Mandate (in particular, Items 5(b)(c) and 6(g)-6(m)			A Mosher B Li			H Schrayshuen
<p>5b - To provide the board and the NERC Standards Committee with a thorough evaluation of and recommendations for action regarding the strategic direction of NERC’s standards development program.</p> <p>5c - To provide advice and recommendations to the board on any technical or standards issue referred to it by the board.</p> <p>6g -Identify strategic priorities for reliability standards development and provide feedback to NERC Standards Committee and board on annual work plan;</p> <p>6h - Monitor overall results, including quality and timeliness of standards development work, and make recommendations to NERC Standards Committee and board regarding needed improvements;</p> <p>6i - Assess emerging reliability risks affecting standards and make recommendations as appropriate;</p> <p>6j - Monitor progress in addressing regulatory mandates and directives related to standards;</p> <p>6k - Serve as the Level 2 Appeals Panel as set forth in the NERC Standards Process Manual, Appendix 3A to the NERC Rules of Procedure;</p> <p>6l - Periodically review NERC’s status with the American National Standards Institute;</p> <p>6m - Respond to the board’s requests for advice and recommendations on any technical issues referred to it by the board;</p> <p>Action Items:</p> <ul style="list-style-type: none"> Allen to work with BOT SOTC to determine if the references to ‘technical issues’ (in 5c and 6m) are relevant for standards or were intended to address IT issues 						

Standards Committee's 2011 Strategic Goals

Policy Issues Involving BOT, FERC, NERC Executives						
Activity	Entire Standards Committee	Executive Committee	Standards Committee Officers	Process Subcommittee	Communications & Planning Subcommittee	Other
<ul style="list-style-type: none"> ○ Kenneth Peterson reported that the references to 'technical issues' is a carryover from the charter established when this BOT SOTC was focused solely on IT issues. ● Identify dates to provide input to BOT SOTC <ul style="list-style-type: none"> ○ Kenneth Peterson indicated that the BOT SOTC is still 'feeling its way' – it's his intention to monitor and provide guidance when he can – will work out reporting, etc as we march forward – no issues with current coordination <p>Ongoing reporting and coordination</p>						
b. Prepare to implement process modifications to ROP identified in NERC's response to March 18 Order				Subcommittee		David Taylor
<p>Assigned to SC PS and staff (Dave Taylor) – need to review Rule 321 and determine what process (if any) is needed to support the implementation of Rule 321; then develop any processes needed; keep document separate from SPM to avoid duplication</p> <p>Due dates:</p> <ul style="list-style-type: none"> ● July, 2011 SC meeting – Procedure/process for implementation ● Oct, 2011 SC meeting – Template for report due each March <p>Ben Li reported that the SC PS decided not to take on this item – use of Rule 321 is a board tool, not an SC tool. If the BOT wants assistance, the BOT can ask for this assistance. In addition, Rule 321 is still working its way through legal processes . . .</p>						
c. Obtain approval for modifications to criteria for VRFs and VSLs				Subcommittee		A Rodriguez
<p>Ongoing – need to report to SOTC and need to coordinate with CCC and add additional members to the team (CCC has lead)</p> <ul style="list-style-type: none"> ● Expanded team must be formed ● Separate VRF project from VSL project ● Work on pro forma set of VSLs – ● MEL to contact Terry Bilke and provide status for April SC meeting ● Allen to raise at next meeting of SCCG - deferred <p>Terry Bilke reported that both CCC and SC are interested in moving these forward.</p> <p>Lots of support for VRFs – need agreement on levels; need to identify how to apply VRFs to CIP requirements</p>						

Standards Committee's 2011 Strategic Goals

Policy Issues Involving BOT, FERC, NERC Executives						
Activity	Entire Standards Committee	Executive Committee	Standards Committee Officers	Process Subcommittee	Communications & Planning Subcommittee	Other
Allen to send a letter to Clay and determine which committee will take the lead. If assigned to the SC, develop a schedule for delivery with a report to the SC at its May meeting.						
d. Obtain approval for modifications to ROP for SC Election Procedure						M Long H Hawkins
Posted for stakeholder comment period through April 15 Intent is to submit for BOT approval in May, 2011						
e. Monitor Implementation of Results-based Process	Committee					
Workshop feedback – no presentation on RBS at the spring workshop Coordinators – ask a question for informal feedback on acceptance of result – Andy reported that he gave a presentation to FERC staff and it was well received. FERC staff observation: doesn't matter "how" – as long as the result is good for reliability. Goal: File with Commission.						
f. Revise the SC Charter to include responsibility for coordination with Regional Standards Group and revisions to section related to voting of officers	Committee			Subcommittee		
Draft revisions provided to SC in March 2011 SC PS to provide clean draft for SC approval at April, 2011 SC meeting Submit to BOT for approval in May, 2011 <i>Note that while the SC endorsed adding responsibility for coordination with Regional Standards development, during the second day of the SC meeting, the responsibility for coordination with Regional Standards was removed.</i>						
g. Develop work plan mapping proposed Objectives identified in ERO Strategic Goal 1 to Standards Committee and Standards	Committee		A Mosher B Li M Long			

Standards Committee's 2011 Strategic Goals

Policy Issues Involving BOT, FERC, NERC Executives						
Activity	Entire Standards Committee	Executive Committee	Standards Committee Officers	Process Subcommittee	Communications & Planning Subcommittee	Other
Program activities.						
Ongoing – align this SC Goals table to ERO Strategic Goal 1						
Review and report progress at each SC face-to-face meeting (April, July, October 2011)						
h. Participate in ERO development of a revised definition of Adequate Level of Reliability with associated performance metrics.			L Campbell M Long A Mosher L. Lee L. Campbell			H Schrayshuen
SCCG task force under development						
i. Develop proposal to integrate the consideration of reliability improvements versus costs into standard development and approval.						M Long L Hussey
Tied to Section 321 and ALR procedure						
Staff – develop a couple of canned questions and bring these to the April SC meeting. . . look at Rule 321 language						
j. Ensure approval of SC Project Prioritization Initiative.	Committee		A Mosher B Li	Subcommittee		H Schrayshuen
SC PS to finalize responses to comments and post responses and any revisions to tool and reference document						
Identified top 12 projects in Feb, 2011						
Communicated results to teams in Feb, 2011						
The 2011-13 RSDP has been revised to incorporate the prioritization initiative and has been approved by the Board for filing for informational purposes with FERC and Canadian authorities.						
Further, the Prioritization Initiative will be integrated into the 2012-14 RSDP.						
– still needs monitoring and revision moving forward						
Filed – but the consideration of comments report needs to be included in a supplemental filing.						

Standards Committee's 2011 Strategic Goals

<i>Project Management</i>						
Activity	Entire Standards Committee	Executive Committee	Standards Committee Officers	Process Subcommittee	Communications & Planning Subcommittee	Other
a. Manage standards program capacity to increase throughput capability						L Hussey
Staff analysis – use quarterly ballot results reports for now <i>Look for a report in July on resources</i>						
b. Track FTEs for all phases of project development						
Premature for first half of year Address on a per standard basis						
c. Consider phasing development of some projects				Subcommittee		M Long
Add to DT Guidelines Add to Reference Document for Project Prioritization Add option of DT recommending splitting of SAR <i>SC will act to “accept” the recommendation of a team that wants to phase its work if it finds it needs to subdivide its project</i>						
d. Address need to monitor and support the complete cycle of a project (through all regulatory approvals)						
No action needed at this time while the new process and prioritization are implemented						

Standards Committee's 2011 Strategic Goals

Standard Processes						
Activity	Entire Standards Committee	Executive Committee	Standards Committee Officers	Process Subcommittee	Communications & Planning Subcommittee	Other
a. Complete implementation of results-based standards process			A Mosher			A Rodriquez
Continue training all new teams in RBS All new teams will be Results-based Report to BOT later this year Nov BOT meeting						
b. Achieve closer alignment between Measures and RSAWs <i>Linda and Maureen to meet and report back on progress. Maureen working with CCC SIS volunteers.</i>				L Campbell		M Long
Report progress quarterly through PS Consider possibility of eliminating details in RSAWs or eliminating RSAWs						
c. Improve interpretation processes			A Mosher			
Allen to report on progress <i>Allen to work with Legal Affairs Committee following receipt of guidance from BOT SOTC</i>						
d. Field test expedited initial standard development through use of a small professional team that may include NERC, Regional Entity, stakeholders, and contractors to test development and approval of a high priority standard within one year	Committee					A Rodriquez
Staff to report to the SC monthly on progress beginning in April, 2011						

Standards Committee's 2011 Strategic Goals

Coordination and Communication						
Activity	Entire Standards Committee	Executive Committee	Standards Committee Officers	Process Subcommittee	Communications & Planning Subcommittee	Other
a. Tighten the working relationship with the technical committees						
<p>Ongoing</p> <p>Review during face-to-face SC meetings (April, July, Oct 2011)</p> <p>Have a 3-step approach to a SAR in the RSDP; 1st stage is to provide a high level description while the technical information is developed/gathered; 2nd level is to add the technical details to the project description so the description is as detailed as a SAR; 3rd is to draft the SAR</p> <p>Andy Rodriquez should be staff contact person to reach out to tech committees for needed assistance for drafting teams</p> <p>Ron Parsons volunteered to talk with tech committees and explain what we're doing and solicit feedback for standards work</p> <p>Consider for future: Invite OC/PC/CIPC chairs to provide an update on standards-related issues/activities during July SC meeting (either chair or committee member)</p> <p>Reach out to OC/PC/CIPC chairs to provide input to the update of the RSDP</p> <p>Membership in SCCG provides an opportunity to keep other committees informed of SC activities and issues</p>						
b. Identify and implement improvements to standards web pages				Committee	Committee	H Schrayshuen
<p>Ongoing</p> <p>Verbal report to April SC meeting</p> <p>Joint meeting in April to discuss item for subcommittees (need to provide info to entities to let them know which requirements before requirements become compliant)</p> <p>(Kristin Iwanechko provided an update during the April SC meeting.)</p>						
c. Provide periodic webinars with updates on standards activities					Committee	M Huggins
<p>Defer until April</p> <p>First webinar planned for June, 2011</p>						
d. Formalize/use a communications network to reach smaller entities					Committee	M Huggins

Standards Committee's 2011 Strategic Goals

<i>Coordination and Communication</i>						
Activity	Entire Standards Committee	Executive Committee	Standards Committee Officers	Process Subcommittee	Communications & Planning Subcommittee	Other
Staff to work with the Communications & Planning Subcommittee and report to SC on progress quarterly						

Project/Standard	R #	Synopsis of Issue	Ballot Status/Last Action	Valid RFI/Interpretation	Recommended Action
Project 2008-10 — Interpretation of CIP-006-1 for Progress Energy	R1.1	Does electronic security perimeter wiring external to a physical security perimeter have to be protected within a six-wall boundary?	Initial ballot ended October 12, 2009 and achieved a quorum and high approval Quorum: 79.92% Approval: 74.47%	Valid request. The IDT has drafted an interpretation that complies with the BOT resolution and SC guidance on interpretations. The version 1 requirement language persists through version 4 of the standards.	Form new ballot pool Conduct recirculation ballot High priority
Project 2009-19 — Interpretation of BAL-002-0 for NWPP Reserve Sharing Group	R4 and R5	Seeks clarity on which disturbances are excluded from compliance and on the use of the phrase, “excluded from compliance evaluation.”	Initial ballot ended February 26, 2010 and failed. Quorum: 89.83% Approval: 48.60% Placed on hold by SC in October , 2010	Not a valid request for interpretation. May not be possible to draft interpretation within the scope of current standard. The same language for which interpretation is being requested persists in Version 1 of the standard.	Notify requester that this is not a valid request for interpretation and advise requester of other options for seeking clarification, including requesting a CAN; indicate option to bring a complaint to the SC and if not satisfied, file an appeal.*
Project 2009-22 — Interpretation of COM-002-2 for the IRC	R2	Are routine operating instructions considered “directives” or are “directives” limited to emergency operating conditions?	Initial comment period ended December 18, 2010	Valid request.	Reform drafting team. Conduct quality review of revised interpretation. Post consideration of comments and revised interpretation for parallel 45-day comment period and initial ballot. High priority

*Defer action pending outcome of NERC BOT SOTC discussion concerning what constitutes “strict construction.”
Revised April 13, 2011 to incorporate SC EC actions from April 8, 2011 meeting and discussion from April 13, 2011 SC meeting

Project 2009-23 — Interpretation of CIP-004-2 for Army Corps of Engineers	R3	Asks for clarity on acceptable sources of ID verification, periodicity of ID verifications, and 7 yr criminal checks.	Initial ballot ended April 8, 2010 and failed. Quorum: 88.52 % Approval: 63.43 %	This request asks three questions, and two of the three are compliance questions. One is a valid request for interpretation. The interpretation that has been drafted complies with the BOT resolution and SC guidance on interpretations.	Ask requester if a CAN would be acceptable to address all three questions. This is consistent with BOT guidance to put resources into improving the standards rather than into interpretations. If the CAN is not acceptable, notify requester that two questions are not valid RFI and advise requester of other options for seeking clarification, including requesting a CAN; indicate option to bring a complaint to the SC and if not satisfied, file an appeal; proceed with interpretation on third question. Turn drafting team work over to develop CAN to provide clarification on other two questions. (If proceeding with interpretation: Form new ballot pool, conduct a quality review. Post consideration of comments and revised interpretation for parallel 30-day comment and ballot.) High priority.
Project 2009-24 — Interpretation of EOP-005-1 for FMPA	R7	Asks for clarity on the use of the phrase, “verify the restoration procedure” and the term, “simulation” for TOPs without any black start facilities.	Balloted once and received low approval Jan 15, 2010: Quorum: 87.68% Approval: 17.79% (Interpretation revised)	Valid request; but interpretation has effectively been accomplished through revision of the standard. FERC approved EOP-005-2 on Mar. 17, 2011. EOP-005-2	Notify requester that the interpretation will not be pursued because the requested clarification has been accomplished through revision to

*Defer action pending outcome of NERC BOT SOTC discussion concerning what constitutes “strict construction.”

Revised April 13, 2011 to incorporate SC EC actions from April 8, 2011 meeting and discussion from April 13, 2011 SC meeting

				<p>modifies the requirement language to clarify these issues.</p> <p>EOP-005-1 applies for about 24 more months.</p>	<p>the standard</p> <p>Suggest to requester that NERC issue a CAN to provide clarity for compliance purposes until the revised standard becomes effective.</p>
Project 2009-25 — Interpretation of BAL-001-01 and BAL-002-0 by BPA	R1	Does the WECC Automatic Time Error Control Procedure (WATEC) violate Requirement 1 of BAL-001-0?	Initial ballot ended January 15, 2010 and failed. Quorum: 88.00% Approval: 34.28%	<p>Not a valid request for interpretation.</p> <p>Interpretation that has been drafted does not comply with BOT resolution and SC guidance.</p>	Notify requester that this is not a valid request for interpretation and advise requester of other options for seeking clarification, including requesting a CAN; and indicate option to bring a complaint to the SC and if not satisfied, file an appeal.
Project 2009-26 — Interpretation of CIP-004-1 for WECC	R2-R4	Asks for clarity with respect to “authorized access” as applied to temporary support from vendors. Do the training, risk assessment and access requirements specified in R2, R3, and R4 apply to vendors who are supervised?	Initial ballot ended January 19, 2010 and failed. Quorum: 84.21% Approval: 42.24%	<p>Valid request.</p> <p>Same phrase and lack of clarity persist through all approved versions of the standard.</p>	<p>Conduct a QR</p> <p>Form a new ballot pool</p> <p>Post revised interpretation for 45 day parallel comment/ballot.</p> <p>High Priority</p>
Project 2009-29 TOP-002-2a for FMPP (Al McMeekin)	R6	Is the responsibility of a BA under R6 to plan to meet CPS and DCS under unscheduled changes in the system configuration and generation dispatch?	Initial ballot ended February 22, 2010 and achieved a quorum and high approval: Quorum: 84.34% Approval: 84.56%	Not a valid request for interpretation.	Notify requester that this is not a valid request for interpretation and advise requester of other options for seeking clarification, including requesting a CAN; and indicate option to bring a complaint to the SC and if not satisfied, file an appeal.
Project 2009-30 — Interpretation of PRC-001-1 for WPSC (Al McMeekin)	R1	Seeks clarity on the use of the term “Generator Operator.”	Initial ballot ended February 26, 2010 and failed. Quorum: 89.51% Approval: 48.74%	Not a valid request for interpretation.	Notify requester that this is not a valid request for interpretation and advise requester of other options for seeking clarification, including requesting a CAN; and indicate option to bring a

					complaint to the SC and if not satisfied, file an appeal.
Project 2009-32 EOP-003-1 for FMPP (Al McMeekin)	R3 and R5	Do R3 and R5 apply only to automatic load shedding or both automatic and manual load shedding?	Initial ballot failed to achieve a quorum; Reballot ended March 31, 2010 and achieved quorum and high enough approval Quorum: 91.37% Approval: 77.66%	Valid request; but a revision of the standard that provides clarification has been approved by the ballot pool and is pending regulatory filing.	Consistent with BOT guidance that industry resources be put into revising standards rather than developing interpretations where standards are unclear, contact requester to suggest that NERC issue a CAN to provide clarity for compliance purposes until the revised standard becomes effective.
2010-INT-01 TOP-006-2 for FMPP (Al McMeekin)	R1.2 and R3	Is the BA responsible for reporting generation resources available for use and TOP responsible for reporting transmission resources that are available for use? Does “appropriate technical information concerning protective relays” refer to protective relays for which the entity has responsibility?	Formed ballot pool – closed April 5, 2010	Valid request. The interpretation that has been drafted lacks clarity.	Contact requester to see if CAN provides the necessary clarification. If requester wants to continue with the request for interpretation, conduct a quality review of the draft interpretation and propose a priority for this project with respect to other outstanding interpretation requests.
2010-INT-02 TOP-003-1 for FMPP (Al McMeekin)	R2	Does the requirement to plan and coordinate for scheduled outages of system voltage regulating equipment for the Balancing Authority mean plan and coordinate scheduled outages of generators within the Balancing Authority?	Formed ballot pool – closed April 5, 2010	The request for interpretation seems to try to change the standard; and the drafting team will have a difficult job drafting an interpretation that follows the BOT and SC guidance. Current draft interpretation provides no clarity. This standard will be retired when the Real Time Ops project is completed and becomes effective. However, that is at least 3 years	Consistent with BOT guidance that industry resources be put into revising standards rather than developing interpretations where standards are unclear, contact requester to suggest that NERC issue a CAN to provide clarity for compliance purposes until the revised standard becomes effective. If the requester wants to continue with the request for interpretation,

				out.	conduct a quality review of the draft interpretation. Make a recommendation to the SC on prioritization relative to other outstanding interpretation requests.
Project 2010-INT-03 TOP-002-2a for FMPP (Al McMeekin)	R2, R8, and R19	Clarity on BA obligations	Formed ballot pool – closed April 5, 2010	The request for interpretation seems to try to change the standard; and the drafting team will have a difficult job drafting an interpretation that follows the BOT and SC guidance. Current draft interpretation provides no clarity.	Consistent with BOT guidance that industry resources be put into revising standards rather than developing interpretations where standards are unclear, contact requester to suggest that NERC issue a CAN to provide clarity for compliance purposes until the revised standard becomes effective. If the requester wants to continue with the request for interpretation, conduct a quality review of the draft interpretation. Make a recommendation to the SC on prioritization relative to other outstanding interpretation requests.
Project 2010-INT-04 EOP-001-1 for FMPP (Al McMeekin)	R2.4	What does “a set of plans for system restoration” mean for a Balancing Authority?	Formed ballot pool - April 5, 2010	This request is moot – FERC approved EOP-001-2, which retires this requirement.	Remove EOP-001-1, Requirement R2.4 from the AML . Send requester a letter with the above information, the decision to curtail work on the interpretation, and indicate option to bring a complaint to the SC and if not satisfied, file an appeal.
Project 2010-INT-05 CIP-002-1 for Duke Energy	R3	Seeks clarity on the use of the term, “examples” and clarity on	Posted for comment September 8-October 8, 2010	Valid request	Proceed with interpretation; report to requester that the IDT is

(Howard Gugel)		the use of the term, “essential”		Interpretation that has been drafted complies with the BOT resolution and SC guidance on interpretations; however, the drafting team has reported to staff that it may not be possible to provide the requested clarity on one of the questions.	unable to provide an answer on one of the questions and will address the other. Conduct a quality review of the revised interpretation. Post response to comments and revised interpretation for 45 day parallel comment and ballot. High priority.
RFI received on 11/4/2010 from TECO on CIP-007	R5.3	Asks if procedural controls are an acceptable method of complying with R5.3 when enforcement cannot be achieved through technical means, or if BOTH technical and procedural controls must be implemented in every instance		Valid request.	Ask requester to withdraw request as clarity is being provided through a CAN and permanent revisions to the associated standard. NERC staff to report to SC for further action if requester indicates that the interpretation is still required. High priority.
RFI received in 12/9/2010 from Bridgeport Energy on FAC-008-1	R1.2.1	Ask for clarification of what equipment is included in the term “terminal equipment.”		Valid request.	Once CAN-0018 is finalized, contact requester to ask whether need for clarification is satisfied by the CAN. If not, NERC staff to report this to SC for further SC action.* Low priority.
RFI received on 12/28/2010 from ITC on CIP-007	R5	Asks for clarity on passwords – specifically looking for more clarity on ‘technical controls’ and ‘procedural controls’ as they apply to passwords – and clarity on when/if the requirement is to have both technical and procedural controls		Valid request.	Ask requester to withdraw request as clarity is being provided through a CAN and permanent revisions to the associated standard. NERC staff to report to SC for further action if requester indicates that the interpretation is still required. High priority.
RFI received on 1/28/2011 from Constellation Power Gen on	R1	Asks for clarification of whether a GOP must communicate to a		Valid request.	Make a recommendation to SC on priority of this request for

*Defer action pending outcome of NERC BOT SOTC discussion concerning what constitutes “strict construction.”

Revised April 13, 2011 to incorporate SC EC actions from April 8, 2011 meeting and discussion from April 13, 2011 SC meeting

VAR-002-1b		TOP that a generator is in manual mode (no AVR) during start up or shut down.			interpretation relative to other outstanding requests. When ready to initiate project, solicit nominations for a drafting team. Medium priority.
RFI received on 2/24/2011 from OGE on CIP-002-3 R1.2.5	R1.2.5	Asks for clarification about applicability of CIP-002 to AMI systems.		Valid request.	Solicit nominations for CIP interpretation drafting team. High priority.

Agenda Standards Committee

Thursday, June 9, 2011 | 1–5 p.m. Eastern

Dial-in Number: 866-740-1260

Participant Code: 4685998

1. Administrative Items

- a. Introductions and Quorum* (A. Mosher)
- b. Conference Call Reminder
- c. NERC Antitrust Compliance Guidelines* (M. Long)
- d. Meeting Agenda — **Approve** (A. Mosher)
- e. Waiver of 5-day Rule — **Approve** (A. Mosher)

2. Consent Agenda

- a. May 12, 2011 Standards Committee Meeting Minutes* — **Approve**
- b. May 27 Standards Committee Executive Committee Meeting Minutes* **(To be sent separately)** — **Ratify**
- c. Project 2007-06 – Protection System Coordination – Appoint a member to the drafting team* **Confidential (To be sent separately)** — **Appoint**

3. High Priority Projects, Activities, and Action Items

- a. Status of Projects Identified as High Priority* (S. Crutchfield)
- b. Status of BES Definition Projects
- c. Status of Rapid Development Project
- d. Status of Outstanding Interpretations* (L. Hussey)
- e. Progress in Developing Action Plans for Projects Not on High Priority List (A. Mosher and H. Schrayshuen)

4. Standards Process

- a. Progress in filling vacant Standards Committee positions
- b. Letter to Tom Galloway regarding Interpretations and Compliance Application Notices* **(To be sent separately)** — **Endorse**

5. Coordination

- a. Coordination with Regulatory and Governmental Authorities (H. Hawkins)
- b. Coordination with Regional Managers (H. Schrayshuen)

6. Discussion Items

- a. Standards Committee's Process for Proposing Rules of Procedure Changes
- b. Standards Committee Action Plan for Remainder of Year*
- c. Standards Committee Meeting Dates for 2012

7. Informational Items

- a. Drafting Team Vacancies*

8. Executive Committee Actions (M. Long)

- a. Items expected to come before the Standards Committee's Executive Committee before July 13-14, 2011 — **Pre-authorize**

9. Adjourn

*Background materials included.

1. Administrative Items

- a. **Introductions** — Allen Mosher will lead the introduction of committee members and determine if there is a quorum.
- b. **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.
- c. **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.
- d. **Meeting Agenda** — Allen Mosher will review the meeting agenda and ask for modifications before the agenda is approved.
- e. **Waiver of 5-day Rule** — If there are items submitted to the Standards Committee for action with less than five 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

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. May 12, 2011 Standards Committee Meeting Minutes
- b. May 27, 2011 Standards Committee Executive Committee Meeting Minutes
- c. Project 2007-06 – Protection System Coordination – Appoint a member to the standard drafting team.

3. High Priority Projects, Activities and Action Items

a. Status of Projects Identified as High Priority

Stephen Crutchfield will review the status of the following high priority projects:

Projects Behind Schedule:

- Project 2007-02 Operating Personnel Communication Protocols - The project has been slowed because of SC action to address ongoing concerns with project deliverables, as well as differences of opinion over the inclusion of Alert Level Guidelines in this standard. This project was transitioned from a former employee, and lost some time during this transition. The new coordinator is working to develop a new timeline and schedule with the team.
- Project 2007-03 Real-time Transmission Operations - FERC concerns led to additional discussions and the addition of a fourth posting to the project schedule. Due to the late stage in development, no additional actions to bring standard back on schedule are available beyond continuing to work toward completion.
- Project 2007-06 System Protection Coordination - This has become a high priority project based on the prioritization tool. Prior to this, the project was worked on as time permitted. The coordinator will develop a new timeline and schedule with the team.
- Project 2007-09 Generator Verification - This project was transitioned from a former employee, and lost some time during this transition. The new coordinator is working to develop a new timeline and schedule with the team.
- Project 2007-07 Vegetation Management - Project delayed due to disagreement over VSL assignments for R1/R2 and technical content in the draft that could be viewed as weakening the standard. The issues of Active Transmission Line Right of Way, Critical Clearance Zone, Gallet equations, and compliance elements underwent significant debate. Staff working with team to accelerate completion.

Projects Ahead of Schedule:

- Project 209-06 Facility Ratings – we controlled to schedule and both the SDT and NERC tried to complete their work early – consequently, it was approved by the BOT 3 weeks ahead of schedule, and is currently slightly ahead of schedule.
- Project 2006-06 Reliability Coordination – currently slightly ahead of schedule.
- Project 2009-01 Disturbance and Sabotage Reporting – currently slightly ahead of schedule.

b. Status of BES Definition Projects

The two teams coordinated their work so that stakeholders could review all documents at the same time. The comment period for the proposed revisions to the definition of BES closed on May 27; the comment periods for the “Technical Principles for Demonstrating BES Exceptions” and the BES Exception Process (Appendix 5c to NERC Rules of Procedure) are both posted through June 10, 2011.

c. Status of Rapid Development Project

The Rapid Development project is underway and the team submitted its first draft of a proposed standard for a quality review. In accordance with the standards process, the quality review must be conducted before a standard can be posted for a formal comment period. The Quality Review was conducted on June 2, 2011 and the documents were returned to the team. The team is expected to make some conforming changes and resubmit its work to the

Standards Committee with a request to post the SAR and standard for a formal comment period.

d. Status of Interpretations

Laura Hussey will provide an update on the status of all outstanding interpretations. Since the May, 2011 Standards Committee meeting, one new interpretation was reviewed by the Standards Committee’s Executive Committee and the Standards Committee endorsed accepting the request as valid. The Standards Committee’s Executive Committee also appointed an initial Critical Infrastructure Protection Interpretation Drafting Team, and committed to adding additional members to the team at a future meeting.

e. Progress in Developing Action Plans for Projects Not on High Priority List

The following table shows the list of drafting teams asked to consider its next actions following notice that its project is not on the list of high priority projects. Allen Mosher will lead a review of the status of responses and proposed action plans for these projects.

Chair	Project
Larry Akens	Project 2010 -14 Balancing Authority Reliability-based Control
Jeffrey M. Pond	Project 2007-11 Disturbance Monitoring
John Simpson	Project 2008 - 01 Voltage and Reactive Planning and Control
Charles Rogers	Project 2010 -13 Relay Loadability Order Phase 2
Samuel Brattini	Project 2009 - 02 Real-time Reliability Monitoring and Analysis Capabilities
Robert A Staton	Project 2009 - 03 Emergency Operations
Joseph Gardner	Project 2008 -12 Coordinate Interchange Standards
Ed Taylor	Project 2009 - 07 Reliability of Protection Systems
Jim Cyrulewski	Project 2010 - 08 Functional Model Glossary Revisions

4. Standards Process

a. Progress in Filling Vacant Standards Committee Positions

Efforts to date at collecting sufficient ratification votes to fill the two vacant Standards Committee positions have fallen far short of achieving a quorum.

b. Letter to Tom Galloway Regarding Interpretations and Compliance Application Notices

During the May 2011 Standards Committee meeting some Standards Committee members expressed the view that NERC should prevent a Compliance Application Notice and an Interpretation from addressing the same issue. A small team volunteered to put together a written list of “what we want to have happen when there is both a CAN and an Interpretation” for submittal to Tom Galloway. Alice Ireland will present that list for discussion with a goal of seeking full Standards Committee endorsement.

5. Coordination

a. Coordination with Regulatory and Governmental Authorities

Holly Hawkins will provide an update on regulatory activities since the last Standards Committee meeting.

b. Coordination with Regional Managers

Herb Schrayshuen will provide an update on the work of the Regional Standards Group.

6. Discussion Items

a. Standards Committee's Process for Proposing Rules of Procedure Changes

The committee will discuss its process for proposing Rules of Procedure Changes. The formal process for obtaining approval for these changes is posted at the following site:

b. Standards Committee Action Plan for Remainder of Year

The committee will discuss what it plans to achieve by the end of the calendar year.

c. Standards Committee Meeting Dates for 2012

The committee will discuss its meeting schedule for 2012. For the past two years the Standards Committee has adopted the following meeting schedule:

- Face-to-face meetings (8-5 on day 1; 8-3 on day2) the second Wednesday and Thursday during the first month of each calendar quarter.
- Conference call meetings from 1-5 pm (eastern) the second Thursday of each month where there is no face-to-face meeting

For 2012, that would mean the following face-to-face meeting dates:

- January 11-12
- April 11-12
- July 11-12
- October 10-11

7. Other Items

a. Drafting Team Vacancies

8. Executive Committee Actions

a. Pre-authorize the Standards Committee's Executive Committee to take action on the following items if they are submitted for Standards Committee action before July 13-14, 2011:

- i) Critical Infrastructure Protection Interpretation Drafting Team – appoint additional members
- ii) Project 2010-05.1 – Protection Systems Phase I – Misoperations - Authorize posting the SAR and associated standard

- iii) Project 2010-05.1 – Protection Systems Phase I – Misoperations - Appoint a Standard Drafting Team

9. Adjourn

Project/Standard	R #	Synopsis of Issue	Ballot Status/Last Action	Recommended Action	Status
Project 2008-10 — Interpretation of CIP-006-1 for Progress Energy	R1.1	Does electronic security perimeter wiring external to a physical security perimeter have to be protected within a six-wall boundary?	Initial ballot ended October 12, 2009 and achieved a quorum and high approval Quorum: 79.92% Approval: 74.47%	Form new ballot pool Conduct recirculation ballot High priority	Response to comments ready to be reviewed by CIP IDT. Priority #1
Project 2009-19 — Interpretation of BAL-002-0 for NWPP Reserve Sharing Group	R4 and R5	Seeks clarity on which disturbances are excluded from compliance and on the use of the phrase, “excluded from compliance evaluation.”	Initial ballot ended February 26, 2010 and failed. Quorum: 89.83% Approval: 48.60% Placed on hold by SC in October , 2010	Notify requester that this is not a valid request for interpretation and advise requester of other options for seeking clarification, including requesting a CAN; indicate option to bring a complaint to the SC and if not satisfied, file an appeal.*	Draft letter being reviewed.
Project 2009-22 — Interpretation of COM-002-2 for the IRC	R2	Are routine operating instructions considered “directives” or are “directives” limited to emergency operating conditions?	Initial comment period ended December 18, 2010	Reform drafting team. Conduct quality review of revised interpretation. Post consideration of comments and revised interpretation for parallel 45-day comment period and initial ballot. High priority	On the agenda for the Project 2007-02 drafting team meeting June 21, 2011
Project 2009-23 — Interpretation of CIP-004-2 for Army Corps of Engineers	R3	Asks for clarity on acceptable sources of ID verification, periodicity of ID verifications, and 7 yr criminal checks.	Initial ballot ended April 8, 2010 and failed. Quorum: 88.52 % Approval: 63.43 %	Notify requester that two questions are not valid RFI and advise requester of other options for seeking clarification, including requesting a CAN; indicate option to bring a complaint to the SC and if not satisfied, file an appeal; proceed	Requester has been notified.

Project/Standard	R #	Synopsis of Issue	Ballot Status/Last Action	Recommended Action	Status
				<p>with interpretation on third question. Turn drafting team work over to develop CAN to provide clarification on other two questions.</p> <p>Alternative is to develop a CAN to address all of the questions. This is consistent with BOT guidance to put resources into improving the standards rather than into interpretations.</p> <p>(If proceeding with interpretation: Form new ballot pool, conduct a quality review. Post consideration of comments and revised interpretation for parallel 30-day comment and ballot.) High priority.</p>	
Project 2009-24 — Interpretation of EOP-005-1 for FMPA	R7	Asks for clarity on the use of the phrase, “verify the restoration procedure” and the term, “simulation” for TOPs without any black start facilities.	Balloted once and received low approval Jan 15, 2010: Quorum: 87.68% Approval: 17.79% (Interpretation revised)	Notify requester that the interpretation will not be pursued because the requested clarification has been accomplished through revision to the standard Suggest to requester that NERC issue a CAN to provide clarity for compliance purposes until the revised standard becomes effective.	Requester is being notified.

Project/Standard	R #	Synopsis of Issue	Ballot Status/Last Action	Recommended Action	Status
Project 2009-25 — Interpretation of BAL-001-01 and BAL-002-0 by BPA	R1	Does the WECC Automatic Time Error Control Procedure (WATEC) violate Requirement 1 of BAL-001-0?	Initial ballot ended January 15, 2010 and failed. Quorum: 88.00% Approval: 34.28%	Notify requester that this is not a valid request for interpretation and advise requester of other options for seeking clarification, including requesting a CAN; and indicate option to bring a complaint to the SC and if not satisfied, file an appeal.	Requester has been notified.
Project 2009-26 — Interpretation of CIP-004-1 for WECC	R2-R4	Asks for clarity with respect to “authorized access” as applied to temporary support from vendors. Do the training, risk assessment and access requirements specified in R2, R3, and R4 apply to vendors who are supervised?	Initial ballot ended January 19, 2010 and failed. Quorum: 84.21% Approval: 42.24%	Conduct a QR Form a new ballot pool Post revised interpretation for 45 day parallel comment/ballot. High Priority	Quality Review feedback is ready for CIP IDT to consider.
Project 2009-29 TOP-002-2a for FMPP	R6	Is the responsibility of a BA under R6 to plan to meet CPS and DCS under unscheduled changes in the system configuration and generation dispatch?	Initial ballot ended February 22, 2010 and achieved a quorum and high approval: Quorum: 84.34% Approval: 84.56%	Notify requester that this is not a valid request for interpretation and advise requester of other options for seeking clarification, including requesting a CAN; and indicate option to bring a complaint to the SC and if not satisfied, file an appeal.	Requester has been notified.
Project 2009-30 — Interpretation of PRC-001-1 for WPSC	R1	Seeks clarity on the use of the term “Generator Operator.”	Initial ballot ended February 26, 2010 and failed. Quorum: 89.51% Approval: 48.74%	Notify requester that this is not a valid request for interpretation and advise requester of other options for seeking clarification, including requesting a CAN; and indicate option to bring a complaint to the SC and if not satisfied, file an appeal.	Requester has been notified.
Project 2009-32 EOP-003-1 for FMPP	R3 and R5	Do R3 and R5 apply only to automatic load shedding or	Initial ballot failed to achieve a quorum; Reballot ended	Consistent with BOT guidance that industry resources be put into	Requester has been notified; awaiting response.

Project/Standard	R #	Synopsis of Issue	Ballot Status/Last Action	Recommended Action	Status
		both automatic and manual load shedding?	March 31, 2010 and achieved quorum and high enough approval Quorum: 91.37% Approval: 77.66%	revising standards rather than developing interpretations where standards are unclear, contact requester to suggest that NERC issue a CAN to provide clarity for compliance purposes until the revised standard becomes effective.	
2010-INT-01 TOP-006-2 for FMPP	R1.2 and R3	Is the BA responsible for reporting generation resources available for use and TOP responsible for reporting transmission resources that are available for use? Does “appropriate technical information concerning protective relays” refer to protective relays for which the entity has responsibility?	Formed ballot pool – closed April 5, 2010	Contact requester to see if CAN provides the necessary clarification. If requester wants to continue with the request for interpretation, conduct a quality review of the draft interpretation and propose a priority for this project with respect to other outstanding interpretation requests.	Requester has been notified; awaiting response.
2010-INT-02 TOP-003-1 for FMPP	R2	Does the requirement to plan and coordinate for scheduled outages of system voltage regulating equipment for the Balancing Authority mean plan and coordinate scheduled outages of generators within the Balancing Authority?	Formed ballot pool – closed April 5, 2010	Consistent with BOT guidance that industry resources be put into revising standards rather than developing interpretations where standards are unclear, contact requester to suggest that NERC issue a CAN to provide clarity for compliance purposes until the revised standard becomes effective. If the requester wants to continue with the request for interpretation, conduct a quality review of the draft interpretation. Make a	Requester has been notified; awaiting response.

Project/Standard	R #	Synopsis of Issue	Ballot Status/Last Action	Recommended Action	Status
				recommendation to the SC on prioritization relative to other outstanding interpretation requests.	
Project 2010-INT-03 TOP-002-2a for FMPP	R2, R8, and R19	Clarity on BA obligations	Formed ballot pool – closed April 5, 2010	<p>Consistent with BOT guidance that industry resources be put into revising standards rather than developing interpretations where standards are unclear, contact requester to suggest that NERC issue a CAN to provide clarity for compliance purposes until the revised standard becomes effective.</p> <p>If the requester wants to continue with the request for interpretation, conduct a quality review of the draft interpretation. Make a recommendation to the SC on prioritization relative to other outstanding interpretation requests.</p>	Requester has been notified; awaiting response.
Project 2010-INT-04 EOP-001-1 for FMPP	R2.4	What does “a set of plans for system restoration” mean for a Balancing Authority?	Formed ballot pool - April 5, 2010	<p>Remove EOP-001-1, Requirement R2.4 from the AML.</p> <p>Send requester a letter with the above information, the decision to curtail work on the interpretation, and indicate option to bring a complaint to the SC and if not satisfied, file an appeal.</p>	Requester has been notified.
Project 2010-INT-05 CIP-002-1	R3	Seeks clarity on the use of the	Posted for comment	Proceed with interpretation;	On agenda for CIP IDT.

Project/Standard	R #	Synopsis of Issue	Ballot Status/Last Action	Recommended Action	Status
for Duke Energy		term, “examples” and clarity on the use of the term, “essential”	September 8-October 8, 2010	report to requester that the IDT is unable to provide an answer on one of the questions and will address the other. Conduct a quality review of the revised interpretation. Post response to comments and revised interpretation for 45 day parallel comment and ballot. High priority.	
RFI received on 11/4/2010 from TECO on CIP-007	R5.3	Asks if procedural controls are an acceptable method of complying with R5.3 when enforcement cannot be achieved through technical means, or if BOTH technical and procedural controls must be implemented in every instance		Ask requester to withdraw request as clarity is being provided through a CAN and permanent revisions to the associated standard. NERC staff to report to SC for further action if requester indicates that the interpretation is still required. High priority.	Requester has been contacted and is reviewing within his organization. Will advise NERC once internal review is complete.
RFI received in 12/9/2010 from Bridgeport Energy on FAC-008-1	R1.2.1	Ask for clarification of what equipment is included in the term “terminal equipment.”		Once CAN-0018 is finalized, contact requester to ask whether need for clarification is satisfied by the CAN. If not, NERC staff to report this to SC for further SC action.* Low priority.	Outcome of BOT SOTC discussion concerning “strict construction” may make it difficult for an interpretation to be drafted. Awaiting final CAN-0018.

Project/Standard	R #	Synopsis of Issue	Ballot Status/Last Action	Recommended Action	Status
RFI received on 12/28/2010 from ITC on CIP-007	R5	Asks for clarity on passwords – specifically looking for more clarity on ‘technical controls’ and ‘procedural controls’ as they apply to passwords – and clarity on when/if the requirement is to have both technical and procedural controls		Ask requester to withdraw request as clarity is being provided through a CAN and permanent revisions to the associated standard. NERC staff to report to SC for further action if requester indicates that the interpretation is still required. High priority.	Requester asked that we proceed with interpretation because CAN-0017 does not provide the clarity he was seeking.
RFI received on 1/28/2011 from Constellation Power Gen on VAR-002-1b	R1	Asks for clarification of whether a GOP must communicate to a TOP that a generator is in manual mode (no AVR) during start up or shut down.		When ready to initiate project, solicit nominations for a drafting team. Medium priority.	
RFI received on 2/24/2011 from OGE on CIP-002-3 R1.2.5	R1.2.5	Asks for clarification about applicability of CIP-002 to AMI systems.		Solicit nominations for CIP interpretation drafting team. High priority.	Nominations being solicited for CIP IDT.
RFI received on 2/18/2011 from Consumers Energy on PRC-001-1	R1	Asks for clarification of a discrepancy in the wording of the requirement and the wording of the RSAW		Interpretations do not address RSAWs. Forwarded to NERC Compliance with a recommendation that the RSAW more closely align with the language of the standard.	Issue has been forwarded to NERC Compliance Operations for consideration.
RFI received on 3/9/2011 from PNGC on PRC-008-0	R1 and R2	Asks for a definition of “a UFLS program (as required by its Regional Reliability Organization)” and clarify the responsibilities of DPs and TOs who own individual UFLS relays or other equipment and the circumstances and notification under which the UFLS equipment owner may		Requester indicates that the request indicates from inconsistent compliance guidance by a region. PRC-008-0 will be retired when PRC-005-2 becomes effective. Recommend NERC issue a CAN or a Compliance Bulletin to address inconsistent guidance.	Issue has been forwarded to NERC Compliance Operations for consideration.

Project/Standard	R #	Synopsis of Issue	Ballot Status/Last Action	Recommended Action	Status
		be directed by its Region to implement a separate UFLS program			
RFI received on 5/13/11 from FPL on MOD-028-1	R3.1	Asks for clarification of quantity and timing of TTC calculations needed for use in ATC calculations		Valid request.	

Meeting Minutes Standards Committee

Thursday, June 9, 2011 | 1–5 p.m. Eastern

1. Administrative Items

A conference call meeting of the Standards Committee was held on Thursday, June 9 from 1 to 5 p.m. Eastern. The agenda, attendance list, and meeting announcement are affixed as Exhibits A, B, and C respectively.

Introductions and Quorum

Standards Committee Chair Allen Mosher led the introduction of committee members and determined there was a quorum. Allen reminded all that the conference call was open to all interested parties and everyone should recognize that it is not possible to know everyone who may be listening to the call.

NERC Antitrust Compliance Guidelines

Maureen Long reviewed the NERC Antitrust Compliance Guidelines.

Meeting Agenda

Allen Mosher reviewed the meeting agenda and asked for modifications. The agenda was modified to rearrange the order of items but there were no additions or deletions.

Ben Li motioned to approve the agenda as revised during the meeting.

- *The motion was approved without objection or abstention.*

Waiver of 5-day Rule

Carol Sedewitz motioned to waive the 5-day rule.

- *The motion was approved without objection or abstention.*

2. Consent Agenda

Michael Gildea motioned to approve or ratify the following consent agenda items:

- May 12, 2011 Standards Committee Meeting Minutes
- May 27, 2011 Standards Committee Executive Committee Meeting Minutes
- Project 2007-06 – Protection System Coordination – Appoint Forrest Brock of Western Farmers Electric Cooperative to the standard drafting team.

- *The motion was approved without objection or abstention.*

3. High Priority Projects, Activities and Action Items

a. Status of projects identified as high priority

Stephen Crutchfield reviewed the status of high priority projects and provided an explanation for the projects that are behind schedule and those that are ahead of schedule.

b. Status of BES Definition Projects

Maureen Long reported that the two BES Definition Teams are working within the schedules and will be reviewing the comments submitted by stakeholders on the proposed definition for BES, “Technical Principles for Demonstrating BES Exceptions” and the BES Exception Process (Appendix 5c to NERC Rules of Procedure).

c. Status of Rapid Development Project

Maureen Long reported that the “Rapid Development Project” is underway and the team submitted a proposed SAR and associated standard.

Linda Campbell motioned to accept the SAR and standard for posting – and direct staff to post the SAR for a 30-day informal comment posting and the standard for a 30-day formal comment period.

– *The motion was approved without objection and two abstentions – Carol Sedewitz and Michael Gildea.*

d. Status of Interpretations

Laura Hussey provided an update on the status of outstanding interpretations. Letters have been sent to all requesters with interpretations that are either not moving forward, or with interpretations that could be addressed through Compliance Application Notices if acceptable to the requester; no written responses have been received.

e. Progress in Developing Action Plans for Projects Not on High Priority List

The following table shows the list of drafting teams asked to consider its next actions following notice that its project is not on the list of high priority projects.

Chair	Project	
Larry Akens	Project 2010 -14 Balancing Authority Reliability-based Control	Continuing without staff support
Jeffrey M. Pond	Project 2007-11 Disturbance Monitoring	Continue working without staff support
John Simpson	Project 2008 - 01 Voltage and Reactive Planning and Control	
Charles Rogers	Project 2010 -13 Relay Loadability Order Phase 2	Continuing without staff support
Samuel Brattini	Project 2009 - 02 Real-time Reliability Monitoring and Analysis Capabilities	Project on hold

Chair	Project	
Robert A Staton	Project 2009 - 03 Emergency Operations	Project on hold
Joseph Gardner	Project 2008 -12 Coordinate Interchange Standards	Project on hold
Ed Taylor	Project 2009 - 07 Reliability of Protection Systems	Continue working without staff support
Jim Cyrulewski	Project 2010 - 08 Functional Model Glossary Revisions	Continuing without staff support

4. Standards Process

a. Progress in Filling Vacant Standards Committee Positions

Maureen Long reported that efforts to date at collecting sufficient ratification votes to fill the two vacant Standards Committee positions have fallen far short of achieving a quorum, with only about a 50% return rate on the ratification ballots. Staff does not have plans to continue to attempt to fill these vacant positions.

b. Letter to Tom Galloway Regarding Interpretations and Compliance Application Notices

The committee discussed a draft letter to Tom Galloway from the Standards Committee regarding Standards Committee concerns regarding interpretations and compliance application notices.

James Stanton motioned to accept the letter as presented to the Standards Committee, formatted on Standards Committee letterhead, and with an updated date,

– *The motion was approved without objection or abstention.*

5. Coordination

a. Coordination with Regulatory and Governmental Authorities

Andrew Dressel provided an update on regulatory activities since the last Standards Committee meeting as well as upcoming regulatory filings.

b. Coordination with Regional Managers

Herb Schrayshuen reported that the Regional Managers group has had some discussion about organizing throughput of regional standards. Work on Regional Standards uses many of the same resources as work on continent-wide standards. Efforts are underway in some regions to update standard processes to more closely align with the Standard Processes Manual, and to use the “quality review” process.

6. Discussion Items

a. Standards Committee’s Process for Proposing Rules of Procedure Changes

The committee reviewed the steps associated with a Rule of Procedure Change. The formal process for obtaining approval for these changes is contained in Section 1400 of the Rules of Procedure.

During the July Standards Committee meeting, more discussion will be held on proposed ROP changes for standards-related issues.

b. Standards Committee Action Plan for Remainder of Year

The committee reviewed its goals for the year and discussed which goals may be accomplished during the July Standards Committee meeting.

c. Standards Committee Meeting Dates for 2012

The committee agreed to the following meeting schedule for 2012:

- Face-to-face meetings (8-5 on day 1; 8-3 on day2) the second Wednesday and Thursday during the first month of each calendar quarter.
 - January 11-12
 - April 11-12
 - July 11-12
 - October 10-11
- Conference call meetings from 1-5 pm (eastern) the second Thursday of each month where there is no face-to-face meeting.

7. Executive Committee Actions

Steve Rueckert motioned to pre-authorize the Standards Committee's Executive Committee to take action on the following items if they are submitted for Standards Committee action before July 13-14, 2011:

- Project 2010-05.1 – Protection Systems Phase I – Misoperations – Appoint a Standard Drafting Team
 - Critical Infrastructure Protection Interpretation Drafting Team – appoint additional members
 - Interpretation of MOD-028 for Florida Power & Light Company – Appoint an Interpretation Drafting Team
- *The motion was approved without objection or abstention.*

8. Adjourn

Outstanding Action Items from March, April, May and June SC Meetings							
Activity	Entire Standards Committee	Executive Committee	Standards Committee Officers	Process Subcommittee	Comm. & Planning Subcommittee	Staff	Status
03132011_6_Review process for replacing drafting team members (when an employee appointed to a drafting team changes jobs, some entities recommend another employee as a replacement; some teams working on lower priority projects are recommending drafting team replacements)s				Subcommittee			Open
03132011_8_Develop a proposal to integrate the consideration of reliability improvements versus costs into standard development and approval. – are there simple questions we can ask stakeholders in comment forms for cost benefit feedback				Subcommittee			Process Subcommittee reported this is in progress – monitoring NPCC actions
04132011_6_update the Roles and Responsibilities Document; Include coordination with regional standards development Include expectation that NERC staff provide its			Allen Mosher			Herb Schrayshuen Maureen Long Laura	Due for July 2011 SC meeting

Outstanding Action Items from March, April, May and June SC Meetings							
Activity	Entire Standards Committee	Executive Committee	Standards Committee Officers	Process Subcommittee	Comm. & Planning Subcommittee	Staff	Status
technical comments in advance Notify Ken Peterson of status						Hussey	
04132011_8_Add to next BOT report clarification on Plans for RBS implementation (not all standards converting)			Allen Mosher			Maureen Long Herb Schrayshuen	Open
04132011_10_Share Pro Forma VSLs with NERC and Regional enforcement and legal staffs; if supported share with FERC staff; if supported file with FERC				Terry Bilke			In progress
04132011_12_Refinement Project Prioritization tool considering comments from stakeholders for approval during the July SC meeting				Subcommittee			In progress
06092011_1_Send note to all drafting team chairs working informally to review the conference call reminder and antitrust reminder in all meetings.						Maureen Long	

Agenda (Revised) Standards Committee

Thursday, June 9, 2011 | 1–5 p.m. Eastern

Dial-in Number: 866-740-1260

Participant Code: 4685998

1. Administrative Items

- a. Introductions and Quorum* (A. Mosher)
- b. Conference Call Reminder
- c. NERC Antitrust Compliance Guidelines* (M. Long)
- d. Meeting Agenda — **Approve** (A. Mosher)
- e. Waiver of 5-day Rule — **Approve** (A. Mosher)

2. Consent Agenda

- a. May 12, 2011 Standards Committee Meeting Minutes* — **Approve**
- b. May 27 Standards Committee Executive Committee Meeting Minutes* **(To be sent separately)** — **Ratify**
- c. Project 2007-06 – Protection System Coordination – Appoint a member to the drafting team* **Confidential (To be sent separately)** — **Appoint**

3. High Priority Projects, Activities, and Action Items

- a. Status of Projects Identified as High Priority* (S. Crutchfield)
- b. Status of BES Definition Projects
- c. Status of Rapid Development Project
- d. Status of Outstanding Interpretations* (L. Hussey)
- e. Progress in Developing Action Plans for Projects Not on High Priority List (A. Mosher and H. Schrayshuen)

4. Standards Process

- a. Progress in filling vacant Standards Committee positions
- b. Letter to Tom Galloway regarding Interpretations and Compliance Application Notices* **(To be sent separately)** — **Endorse**

b.c. Project 2010-05.1 – Protection Systems Phase I – Misoperations - Authorize Posting the SAR and Associated Standard * – Approve

5. Coordination

- a. Coordination with Regulatory and Governmental Authorities (H. Hawkins)
- b. Coordination with Regional Managers (H. Schrayshuen)

6. Discussion Items

- a. Standards Committee's Process for Proposing Rules of Procedure Changes
- b. Standards Committee Action Plan for Remainder of Year*
- c. Standards Committee Meeting Dates for 2012

7. Informational Items

- a. Drafting Team Vacancies*

8. Executive Committee Actions (M. Long)

- a. Items expected to come before the Standards Committee's Executive Committee before July 13-14, 2011 — **Pre-authorize**

9. Adjourn

*Background materials included.

1. Administrative Items

- a. **Introductions** — Allen Mosher will lead the introduction of committee members and determine if there is a quorum.
- b. **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.
- c. **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.
- d. **Meeting Agenda** — Allen Mosher will review the meeting agenda and ask for modifications before the agenda is approved.
- e. **Waiver of 5-day Rule** — If there are items submitted to the Standards Committee for action with less than five 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

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. May 12, 2011 Standards Committee Meeting Minutes
- b. May 27, 2011 Standards Committee Executive Committee Meeting Minutes
- c. Project 2007-06 – Protection System Coordination – Appoint a member to the standard drafting team.

3. High Priority Projects, Activities and Action Items

a. Status of Projects Identified as High Priority

Stephen Crutchfield will review the status of the following high priority projects:

Projects Behind Schedule:

- Project 2007-02 Operating Personnel Communication Protocols - The project has been slowed because of SC action to address ongoing concerns with project deliverables, as well as differences of opinion over the inclusion of Alert Level Guidelines in this standard. This project was transitioned from a former employee, and lost some time during this transition. The new coordinator is working to develop a new timeline and schedule with the team.
- Project 2007-03 Real-time Transmission Operations - FERC concerns led to additional discussions and the addition of a fourth posting to the project schedule. Due to the late stage in development, no additional actions to bring standard back on schedule are available beyond continuing to work toward completion.
- Project 2007-06 System Protection Coordination - This has become a high priority project based on the prioritization tool. Prior to this, the project was worked on as time permitted. The coordinator will develop a new timeline and schedule with the team.
- Project 2007-09 Generator Verification - This project was transitioned from a former employee, and lost some time during this transition. The new coordinator is working to develop a new timeline and schedule with the team.
- Project 2007-07 Vegetation Management - Project delayed due to disagreement over VSL assignments for R1/R2 and technical content in the draft that could be viewed as weakening the standard. The issues of Active Transmission Line Right of Way, Critical Clearance Zone, Gallet equations, and compliance elements underwent significant debate. Staff working with team to accelerate completion.

Projects Ahead of Schedule:

- Project 209-06 Facility Ratings – we controlled to schedule and both the SDT and NERC tried to complete their work early – consequently, it was approved by the BOT 3 weeks ahead of schedule, and is currently slightly ahead of schedule.
- Project 2006-06 Reliability Coordination – currently slightly ahead of schedule.
- Project 2009-01 Disturbance and Sabotage Reporting – currently slightly ahead of schedule.

b. Status of BES Definition Projects

The two teams coordinated their work so that stakeholders could review all documents at the same time. The comment period for the proposed revisions to the definition of BES closed on May 27; the comment periods for the “Technical Principles for Demonstrating BES Exceptions” and the BES Exception Process (Appendix 5c to NERC Rules of Procedure) are both posted through June 10, 2011.

c. Status of Rapid Development Project

The Rapid Development project is underway and the team submitted its first draft of a proposed standard for a quality review. In accordance with the standards process, the quality review must be conducted before a standard can be posted for a formal comment period. The Quality Review was conducted on June 2, 2011 and the documents were returned to the team. The team is expected to make some conforming changes and resubmit its work to the

Standards Committee with a request to post the SAR and standard for a formal comment period.

d. Status of Interpretations

Laura Hussey will provide an update on the status of all outstanding interpretations. Since the May, 2011 Standards Committee meeting, one new interpretation was reviewed by the Standards Committee’s Executive Committee and the Standards Committee endorsed accepting the request as valid. The Standards Committee’s Executive Committee also appointed an initial Critical Infrastructure Protection Interpretation Drafting Team, and committed to adding additional members to the team at a future meeting.

e. Progress in Developing Action Plans for Projects Not on High Priority List

The following table shows the list of drafting teams asked to consider its next actions following notice that its project is not on the list of high priority projects. Allen Mosher will lead a review of the status of responses and proposed action plans for these projects.

Chair	Project
Larry Akens	Project 2010 -14 Balancing Authority Reliability-based Control
Jeffrey M. Pond	Project 2007-11 Disturbance Monitoring
John Simpson	Project 2008 - 01 Voltage and Reactive Planning and Control
Charles Rogers	Project 2010 -13 Relay Loadability Order Phase 2
Samuel Brattini	Project 2009 - 02 Real-time Reliability Monitoring and Analysis Capabilities
Robert A Staton	Project 2009 - 03 Emergency Operations
Joseph Gardner	Project 2008 -12 Coordinate Interchange Standards
Ed Taylor	Project 2009 - 07 Reliability of Protection Systems
Jim Cyrulewski	Project 2010 - 08 Functional Model Glossary Revisions

4. Standards Process

a. Progress in Filling Vacant Standards Committee Positions

Efforts to date at collecting sufficient ratification votes to fill the two vacant Standards Committee positions have fallen far short of achieving a quorum.

b. Letter to Tom Galloway Regarding Interpretations and Compliance Application Notices

During the May 2011 Standards Committee meeting some Standards Committee members expressed the view that NERC should prevent a Compliance Application Notice and an Interpretation from addressing the same issue. A small team volunteered to put together a written list of “what we want to have happen when there is both a CAN and an Interpretation” for submittal to Tom Galloway. Alice Ireland will present that list for discussion with a goal of seeking full Standards Committee endorsement.

c. Project 2010-05.1 – Protection Systems Phase I – Misoperations - Authorize Posting the SAR and Associated Standard

Background: The Reliability Standard Development Plan includes Project 2010-05 – Protection Systems. This project includes two topics – misoperations of protection systems and special protection systems and involves the revision of the following five standards:

- PRC-003-1 – Regional Procedure for Analysis of Misoperations of Transmission and Generation Protection Systems
- PRC-004-1 – Analysis and Mitigation of Transmission and Generation Protection System Misoperations
- PRC-012-0 – Special Protection System Review Procedure
- PRC-014-0 – Special Protection System Assessment
- PRC-016-0 – Special Protection System Misoperations

The Regional Standards Group recommended subdividing the work into two phases and addressing the work associated with misoperations of protection systems ahead of the work associated with special protection systems.

Phase I:

- PRC-003-1 – Regional Procedure for Analysis of Misoperations of Transmission and Generation Protection Systems
- PRC-004-1 – Analysis and Mitigation of Transmission and Generation Protection System Misoperations

Phase II:

- PRC-012-0 – Special Protection System Review Procedure
- PRC-014-0 – Special Protection System Assessment
- PRC-016-0 – Special Protection System Misoperations

This recommendation supports faster development of an enforceable standard focusing on misoperations – a critical area where one of the foundation standards (PRC-003-1 – Regional Procedure for Analysis of Misoperations is not currently enforceable.)

A Rapid Development Team working on a SAR for the first phase of Project 2010-05 – Protection Systems, has submitted a SAR, associated standard and implementation plan for review.

Because the Standard Processes Manual requires that each standard undergo a “Quality Review” before it can be posted for a formal stakeholder comment or ballot period, the standards staff coordinated a Quality Review of the documents. The Quality Review Team included a member of the standards staff and two stakeholders - one representing the legal perspective and one representing the compliance perspective.

The team made conforming changes that were responsive to the Quality Review observations and returned the documents to the standards staff with a request that the documents be presented to the Standards Committee for action.

Request: Authorize posting the SAR, and associated standard for stakeholder comment. In accordance with the Standard Processes Manual, comments on the SAR should be treated as informal comments; comments on the standard and its proposed implementation plan should be treated as formal comments.

5. Coordination

a. Coordination with Regulatory and Governmental Authorities

Holly Hawkins will provide an update on regulatory activities since the last Standards Committee meeting.

b. Coordination with Regional Managers

Herb Schrayshuen will provide an update on the work of the Regional Standards Group.

6. Discussion Items

a. Standards Committee's Process for Proposing Rules of Procedure Changes

The committee will discuss its process for proposing Rules of Procedure Changes. The formal process for obtaining approval for these changes is posted at the following site:

b. Standards Committee Action Plan for Remainder of Year

The committee will discuss what it plans to achieve by the end of the calendar year.

c. Standards Committee Meeting Dates for 2012

The committee will discuss its meeting schedule for 2012. For the past two years the Standards Committee has adopted the following meeting schedule:

- Face-to-face meetings (8-5 on day 1; 8-3 on day2) the second Wednesday and Thursday during the first month of each calendar quarter.
- Conference call meetings from 1-5 pm (eastern) the second Thursday of each month where there is no face-to-face meeting

For 2012, that would mean the following face-to-face meeting dates:

- January 11-12
- April 11-12
- July 11-12
- October 10-11

7. Other Items

- ### a. Drafting Team Vacancies

8. Executive Committee Actions

- a. Pre-authorize the Standards Committee’s Executive Committee to take action on the following items if they are submitted for Standards Committee action before July 13-14, 2011:
- i) Critical Infrastructure Protection Interpretation Drafting Team – appoint additional members
 - ~~ii) Project 2010-05.1 – Protection Systems Phase I – Misoperations – Authorize posting the SAR and associated standard~~
 - ii) Project 2010-05.1 – Protection Systems Phase I – Misoperations - Appoint a Standard Drafting Team
 - iii) Interpretation of MOD-028 for Florida Power & Light Company – Appoint an Interpretation Drafting Team

9. Adjourn

Outstanding Action Items from March, April and May SC Meetings							
Activity	Entire Standards Committee	Executive Committee	Standards Committee Officers	Process Subcommittee	Comm. & Planning Subcommittee	Staff	Status
03132011_6_ Review process for replacing drafting team members (when an employee appointed to a drafting team changes jobs, some entities recommend another employee as a replacement; some teams working on lower priority projects are recommending drafting team replacements)				Subcommittee			
03132011_8_ Develop a proposal to integrate the consideration of reliability improvements versus costs into standard development and approval. – are there simple questions we can ask stakeholders in comment forms for cost benefit feedback				Subcommittee			Process Subcommittee reported this is in progress – monitoring NPCC actions
04132011_6_ update the Roles and Responsibilities Document; Include coordination with regional standards development Include expectation that			Allen Mosher			Herb Schrayshuen Maureen Long Laura	Due for July 2011 SC meeting

Outstanding Action Items from March, April and May SC Meetings							
Activity	Entire Standards Committee	Executive Committee	Standards Committee Officers	Process Subcommittee	Comm. & Planning Subcommittee	Staff	Status
NERC staff provide its technical comments in advance Notify Ken Peterson of status						Hussey	
04132011_7_post information for July 2011SC meeting in Portland OR as soon as possible						Monica Benson	Completed
04132011_8_Add to next BOT report clarification on Plans for RBS implementation (not all standards converting)			Allen Mosher			Maureen Long Herb Schrayshuen	
04132011_9_Send letter to CCC Chair re moving VRFs and VSLs forward			Allen Mosher				
04132011_10_Share Pro Forma VSLs with NERC and Regional enforcement and legal staffs; if supported share with FERC staff; if supported file with FERC				Terry Bilke			
04132011_11_Update Drafting Team Vacancy table to solicit a CA rep for Project 2009-02 and additional representative for							Completed

Outstanding Action Items from March, April and May SC Meetings							
Activity	Entire Standards Committee	Executive Committee	Standards Committee Officers	Process Subcommittee	Comm. & Planning Subcommittee	Staff	Status
Project 2007-02							
04132011_12_ Refinement Project Prioritization tool considering comments from stakeholders for approval during the July SC meeting				Subcommittee			
05122011_1_ Provide a written list of “what we want to have happen when there is both a CAN and an Interpretation” to Herb Schrayshuen for submittal to Tom Galloway				Alice Ireland Patrick Brown Jason Marshall			In progress for presentation to the SC during its June 2011 meeting.
05122011_2_ Post a request for Misoperations SDT nominations						Laura Hussey Andy Rodriguez	Completed

Standards Committee June 9, 2011 Attendance List

Segment	Name	Company	Attendance
Chairman Segment 4-2010-11	Allen Mosher	American Public Power Association	x
Vice Chairman Segment 2-2010-11	P.S. (Ben) Li	Ben Li Associates, Inc.	x
Segment 1-2010-11	Carol Sedewitz	National Grid	x
Segment 1-2011-12	Jason Shaver Andrew Pusttai as proxy	American Transmission Company, LLC	x
Segment 2-2011-12	Patrick Brown	PJM	x
Segment 3-2011-12	Ronald G. Parsons Larry Smith as proxy	Alabama Power Company	x
Segment 4-2011-12	Joseph Tarantino Linn Oelker as proxy	Sacramento Municipal Utility District	x
Segment 5-2009-10	Michael F. Gildea	Dominion Resources Services	x
Segment 6-2010-11	Alice Murdock Ireland	Xcel Energy, Inc.	x
Segment 6-2011-12	Silvia Parada Mitchell	NextEra Energy, Inc.	
Segment 7-2010-11	Frank McElvain	Siemens Energy	
Segment 7-2011-12	John A. Anderson	Electricity Consumers Resource Council	x
Segment 8-2010-11	James R. Stanton	SPS Energy	x
Segment 8-2009-10	Michael Goggin	American Wind Energy Association	x
Segment 9-2009-10	Diane Barney	New York State Public Service Commission	x
Segment 9-2010-11	Klaus Lambeck	Ohio Public Utilities Commission	
Segment 10-2010-11	Linda Campbell	Florida Reliability Coordinating Council	x
Segment 10-2009-10	Steve Rueckert	Western Electricity Coordinating Council	x
Canada	Robert Blohm	Keen Resources Ltd.	x
Secretary	Maureen Long	NERC	x

BOT SOTC Members:

- Tom Berry
- Ken Peterson

NERC Staff

- Scott Barfield
- Caroline Crouse
- Stephen Crutchfield
- Andrew Dressel
- Ben Engelby
- Tom Galloway
- Holly Hawkins
- Laura Hussey
- Joseph Krisiak
- Herb Schrayshuen
- David Taylor
- Barbara Nutter

Observers:

- John Bussman, AECI
- Sam Ciccone, FirstEnergy
- José H. Escamilla, CPS Energy
- Bob Hinkel, Customized Energy Solutions
- Pat Huntley, SERC
- Anthony Jablonski, ReliabilityFirst Corporation
- Donald Jones, Texas Reliability Entity, Inc.
- David Kiguel, HydroOne
- Laura Lee, Duke Energy
- Jason Marshall, ACES Power Marketing
- Scott Miller, MEAG Power
- Keith O'Neal, FERC
- Ed Skiba, MISO



NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

Meeting Agenda Standards Committee

June 9, 2011 | 1-5 p.m. EDT

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

Attachment 4b is now posted at: <http://www.nerc.com/filez/scmin.html>

The document has been attached for your convenience.

*For more information or assistance, please contact Monica Benson,
Standards Process Administrator, at monica.benson@nerc.net or at 404-446-2560.*

North American Electric Reliability Corporation
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Princeton, NJ 08540
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-Ballot Results
-Registered Ballot Body
-Proxy Voters

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Ballot Results

Ballot Name:	Project 2009-19 - Interpretation - BAL-002-0 Northwest Power Pool RSG_in
Ballot Period:	2/15/2010 - 2/26/2010
Ballot Type:	Initial
Total # Votes:	212
Total Ballot Pool:	236
Quorum:	89.83 % The Quorum has been reached
Weighted Segment Vote:	48.60 %
Ballot Results:	The standard will proceed to recirculation ballot.

Summary of Ballot Results

Segment	Ballot Pool	Segment Weight	Affirmative		Negative		Abstain	No Vote	
			# Votes	Fraction	# Votes	Fraction	# Votes		
1 - Segment 1.		61	1	26	0.491	27	0.509	4	4
2 - Segment 2.		12	1	6	0.6	4	0.4	0	2
3 - Segment 3.		54	1	27	0.587	19	0.413	4	4
4 - Segment 4.		15	1	5	0.385	8	0.615	2	0
5 - Segment 5.		43	1	16	0.485	17	0.515	5	5
6 - Segment 6.		33	1	10	0.4	15	0.6	2	6
7 - Segment 7.		0	0	0	0	0	0	0	0
8 - Segment 8.		6	0.4	2	0.2	2	0.2	0	2
9 - Segment 9.		4	0.3	1	0.1	2	0.2	1	0
10 - Segment 10.		8	0.6	3	0.3	3	0.3	1	1
Totals		236	7.3	96	3.548	97	3.752	19	24

Individual Ballot Pool Results

Segment	Organization	Member	Ballot	Comments
1	Ameren Services	Kirit S. Shah	Affirmative	
1	American Electric Power	Paul B. Johnson	Affirmative	
1	Associated Electric Cooperative, Inc.	John Bussman	Affirmative	
1	Avista Corp.	Scott Kinney	Negative	View
1	BC Transmission Corporation	Gordon Rawlings	Negative	View
1	Beaches Energy Services	Joseph S. Stonecipher	Negative	View
1	Black Hills Corp	Eric Egge		

1	Bonneville Power Administration	Donald S. Watkins	Negative	View
1	Central Maine Power Company	Brian Conroy	Affirmative	
1	City of Vero Beach	Randall McCamish	Negative	View
1	Consolidated Edison Co. of New York	Christopher L de Graffenried	Affirmative	
1	Duke Energy Carolina	Douglas E. Hils		
1	E.ON U.S. LLC	Larry Monday	Abstain	
1	East Kentucky Power Coop.	George S. Carruba		
1	Empire District Electric Co.	Ralph Frederick Meyer	Negative	View
1	Entergy Corporation	George R. Bartlett	Affirmative	
1	FirstEnergy Energy Delivery	Robert Martinko	Affirmative	
1	Florida Keys Electric Cooperative Assoc.	Dennis Minton	Negative	
1	Georgia Transmission Corporation	Harold Taylor, II	Affirmative	
1	Hydro One Networks, Inc.	Ajay Garg	Affirmative	
1	Idaho Power Company	Ronald D. Schellberg	Negative	View
1	ITC Transmission	Elizabeth Howell	Abstain	
1	JEA	Ted E Hobson	Affirmative	
1	Kansas City Power & Light Co.	Michael Gammon	Affirmative	
1	Lakeland Electric	Larry E Watt	Negative	View
1	Lee County Electric Cooperative	John W Delucca	Abstain	
1	Long Island Power Authority	Jonathan Appelbaum	Affirmative	
1	Manitoba Hydro	Michelle Rheault	Negative	View
1	MEAG Power	Danny Dees	Negative	
1	MidAmerican Energy Co.	Terry Harbour	Negative	View
1	National Grid	Saurabh Saksena		
1	New York State Electric & Gas Corp.	Henry G. Masti	Affirmative	
1	Northeast Utilities	David H. Boguslawski	Affirmative	
1	Northern Indiana Public Service Co.	Kevin M Largura	Affirmative	
1	NorthWestern Energy	John Canavan	Negative	View
1	Ohio Valley Electric Corp.	Robert Matthey	Affirmative	
1	Orlando Utilities Commission	Brad Chase	Affirmative	
1	Otter Tail Power Company	Lawrence R. Larson	Negative	
1	PacifiCorp	Mark Sampson	Negative	View
1	Potomac Electric Power Co.	Richard J. Kafka	Affirmative	
1	PowerSouth Energy Cooperative	Larry D. Avery	Negative	
1	Progress Energy Carolinas	Sammy Roberts	Affirmative	
1	Public Service Electric and Gas Co.	Kenneth D. Brown	Affirmative	
1	Puget Sound Energy, Inc.	Catherine Koch	Negative	View
1	Sacramento Municipal Utility District	Tim Kelley	Negative	
1	Salt River Project	Robert Kondziolka	Negative	View
1	Santee Cooper	Terry L. Blackwell	Negative	View
1	SCE&G	Henry Delk, Jr.	Affirmative	
1	Seattle City Light	Pawel Krupa	Negative	View
1	Sierra Pacific Power Co.	Richard Salgo	Negative	View
1	South Texas Electric Cooperative	Richard McLeon	Affirmative	
1	Southern California Edison Co.	Dana Cabbell	Affirmative	
1	Southern Company Services, Inc.	Horace Stephen Williamson	Affirmative	
1	Southwest Transmission Cooperative, Inc.	James L. Jones	Abstain	
1	Southwestern Power Administration	Gary W Cox	Affirmative	
1	Tampa Electric Co.	Thomas J. Szelistowski	Negative	
1	Tennessee Valley Authority	Larry Akens	Affirmative	
1	Tri-State G & T Association Inc.	Keith V. Carman	Negative	View
1	Westar Energy	Allen Klassen	Negative	
1	Western Area Power Administration	Brandy A Dunn	Negative	View
1	Xcel Energy, Inc.	Gregory L Pieper	Negative	View
2	Alberta Electric System Operator	Jason L. Murray	Negative	View
2	BC Transmission Corporation	Faramarz Amjadi	Negative	
2	California ISO	Timothy VanBlaricom	Affirmative	View
2	Electric Reliability Council of Texas, Inc.	Chuck B Manning	Negative	View
2	Florida Municipal Power Pool	Thomas E Washburn	Affirmative	
2	Independent Electricity System Operator	Kim Warren	Affirmative	
2	ISO New England, Inc.	Kathleen Goodman	Affirmative	
2	Midwest ISO, Inc.	Jason L Marshall	Negative	View
2	New Brunswick System Operator	Alden Briggs	Affirmative	
2	New York Independent System Operator	Gregory Campoli	Affirmative	
2	PJM Interconnection, L.L.C.	Tom Bowe		
2	Southwest Power Pool	Charles H Yeung		
3	Alabama Power Company	Bobby Kerley	Affirmative	

3	American Electric Power	Raj Rana	Affirmative	
3	Arizona Public Service Co.	Thomas R. Glock		
3	Atlantic City Electric Company	James V. Petrella	Affirmative	
3	BC Hydro and Power Authority	Pat G. Harrington	Abstain	
3	Black Hills Power	Andy Butcher	Negative	
3	Blue Ridge Power Agency	Duane S. Dahlquist	Abstain	
3	Bonneville Power Administration	Rebecca Berdahl	Negative	View
3	City of Bartow, Florida	Matt Culverhouse	Affirmative	
3	Consolidated Edison Co. of New York	Peter T Yost	Affirmative	
3	Constellation Energy	Carolyn Ingersoll	Negative	View
3	Consumers Energy	David A. Lapinski	Affirmative	
3	Cowlitz County PUD	Russell A Noble		
3	Delmarva Power & Light Co.	Michael R. Mayer	Affirmative	
3	Detroit Edison Company	Kent Kujala	Affirmative	
3	Dominion Resources, Inc.	Jalal (John) Babik	Abstain	
3	Duke Energy Carolina	Henry Ernst-Jr	Negative	View
3	Entergy Services, Inc.	Matt Wolf	Affirmative	
3	FirstEnergy Solutions	Kevin Querry	Affirmative	View
3	Florida Power Corporation	Lee Schuster	Affirmative	
3	Georgia Power Company	Anthony L Wilson	Affirmative	
3	Georgia System Operations Corporation	R Scott S. Barfield-McGinnis	Affirmative	
3	Grays Harbor PUD	Wesley W Gray	Affirmative	
3	Gulf Power Company	Gwen S Frazier	Affirmative	
3	Hydro One Networks, Inc.	Michael D. Penstone	Affirmative	
3	JEA	Garry Baker	Affirmative	
3	Kansas City Power & Light Co.	Charles Locke	Negative	View
3	Kissimmee Utility Authority	Gregory David Woessner	Affirmative	
3	Lakeland Electric	Mace Hunter	Affirmative	
3	Louisville Gas and Electric Co.	Charles A. Freibert	Abstain	
3	Manitoba Hydro	Greg C Parent	Negative	View
3	MidAmerican Energy Co.	Thomas C. Mielnik	Negative	View
3	Mississippi Power	Don Horsley	Affirmative	
3	New York Power Authority	Marilyn Brown	Affirmative	
3	Niagara Mohawk (National Grid Company)	Michael Schiavone	Affirmative	
3	Northern Indiana Public Service Co.	William SeDoris	Affirmative	
3	Orlando Utilities Commission	Ballard Keith Mutters	Affirmative	
3	PacifiCorp	John Apperson	Negative	View
3	Platte River Power Authority	Terry L Baker	Negative	View
3	Potomac Electric Power Co.	Robert Reuter	Affirmative	
3	Public Service Electric and Gas Co.	Jeffrey Mueller	Affirmative	
3	Public Utility District No. 1 of Chelan County	Kenneth R. Johnson	Negative	View
3	Public Utility District No. 2 of Grant County	Greg Lange	Negative	View
3	Sacramento Municipal Utility District	James Leigh-Kendall	Negative	View
3	Salt River Project	John T. Underhill	Negative	View
3	San Diego Gas & Electric	Scott Peterson		
3	Santee Cooper	Zack Dusenbury	Negative	View
3	Seattle City Light	Dana Wheelock	Negative	View
3	South Carolina Electric & Gas Co.	Hubert C. Young	Affirmative	
3	Southern California Edison Co.	David Schiada		
3	Tampa Electric Co.	Ronald L Donahey	Negative	View
3	Turlock Irrigation District	Casey Hashimoto	Negative	
3	Wisconsin Electric Power Marketing	James R. Keller	Negative	View
3	Xcel Energy, Inc.	Michael Ibold	Negative	View
4	Alliant Energy Corp. Services, Inc.	Kenneth Goldsmith	Negative	
4	City of New Smyrna Beach Utilities Commission	Timothy Beyrle	Negative	
4	Consumers Energy	David Frank Ronk	Affirmative	
4	Detroit Edison Company	Daniel Herring	Affirmative	
4	Florida Municipal Power Agency	Frank Gaffney	Negative	View
4	Georgia System Operations Corporation	Guy Andrews	Affirmative	
4	Madison Gas and Electric Co.	Joseph G. DePoorter	Negative	View
4	Northern California Power Agency	Fred E. Young	Abstain	
4	Ohio Edison Company	Douglas Hohlbaugh	Affirmative	
4	Old Dominion Electric Coop.	Mark Ringhausen	Abstain	
4	Public Utility District No. 1 of Douglas County	Henry E. LuBean	Negative	View
4	Sacramento Municipal Utility District	Mike Ramirez	Negative	View
4	Seattle City Light	Hao Li	Negative	View

4	Seminole Electric Cooperative, Inc.	Steven R Wallace	Affirmative	
4	Wisconsin Energy Corp.	Anthony Jankowski	Negative	View
5	AEP Service Corp.	Brock Ondayko	Affirmative	
5	Amerenue	Sam Dwyer		
5	Avista Corp.	Edward F. Groce	Negative	View
5	Bonneville Power Administration	Francis J. Halpin	Negative	View
5	Chelan County Public Utility District #1	John Yale	Negative	
5	City of Tallahassee	Alan Gale	Affirmative	
5	Consolidated Edison Co. of New York	Edwin E Thompson	Affirmative	
5	Consumers Energy	James B Lewis	Affirmative	
5	Dairyland Power Coop.	Warren Schaefer	Affirmative	
5	Detroit Edison Company	Ronald W. Bauer	Affirmative	
5	Dominion Resources, Inc.	Mike Garton	Affirmative	
5	Duke Energy	Robert Smith	Negative	
5	Entergy Corporation	Stanley M Jaskot	Affirmative	
5	FirstEnergy Solutions	Kenneth Dresner	Affirmative	
5	JEA	Donald Gilbert	Affirmative	View
5	Kansas City Power & Light Co.	Scott Heidtbrink	Negative	
5	Kissimmee Utility Authority	Mike Blough	Affirmative	
5	Lincoln Electric System	Dennis Florom	Negative	View
5	Louisville Gas and Electric Co.	Charlie Martin	Abstain	
5	Manitoba Hydro	Mark Aikens	Negative	View
5	MidAmerican Energy Co.	Christopher Schneider	Negative	View
5	New York Power Authority	Gerald Mannarino	Affirmative	
5	Northern Indiana Public Service Co.	Michael K Wilkerson	Affirmative	
5	Northern States Power Co.	Liam Noailles	Negative	View
5	Orlando Utilities Commission	Richard Kinan		
5	PacifiCorp	Sandra L. Shaffer	Negative	View
5	Portland General Electric Co.	Gary L Tingley	Negative	
5	PPL Generation LLC	Mark A. Heimbach	Negative	View
5	Progress Energy Carolinas	Wayne Lewis	Affirmative	
5	PSEG Power LLC	David Murray	Affirmative	
5	Reedy Creek Energy Services	Bernie Budnik		
5	RRI Energy	Thomas J. Bradish	Negative	View
5	Sacramento Municipal Utility District	Bethany Wright	Negative	View
5	Salt River Project	Glen Reeves	Negative	View
5	Seattle City Light	Michael J. Haynes	Negative	
5	Seminole Electric Cooperative, Inc.	Brenda K. Atkins	Affirmative	
5	South California Edison Company	Ahmad Sanati		
5	South Carolina Electric & Gas Co.	Richard Jones	Abstain	
5	Tenaska, Inc.	Scott M. Helyer	Abstain	
5	U.S. Army Corps of Engineers Northwestern Division	Karl Bryan	Abstain	
5	U.S. Bureau of Reclamation	Martin Bauer P.E.	Abstain	
5	Wisconsin Electric Power Co.	Linda Horn	Negative	View
5	Wisconsin Public Service Corp.	Leonard Rentmeester		
6	AEP Marketing	Edward P. Cox	Affirmative	
6	Black Hills Corp	Tyson Taylor	Affirmative	
6	Bonneville Power Administration	Brenda S. Anderson	Negative	View
6	Consolidated Edison Co. of New York	Nickesha P Carrol	Affirmative	
6	Constellation Energy Commodities Group	Chris Lyons	Negative	
6	Dominion Resources, Inc.	Louis S Slade	Abstain	
6	Duke Energy Carolina	Walter Yeager	Negative	
6	Entergy Services, Inc.	Terri F Benoit	Affirmative	
6	Eugene Water & Electric Board	Daniel Mark Bedbury	Negative	
6	FirstEnergy Solutions	Mark S Travaglianti	Affirmative	
6	Florida Power & Light Co.	Silvia P Mitchell		
6	Kansas City Power & Light Co.	Thomas Saitta	Affirmative	
6	Lakeland Electric	Paul Shipps	Negative	View
6	Louisville Gas and Electric Co.	Daryn Barker	Abstain	
6	Manitoba Hydro	Daniel Prowse	Negative	View
6	New York Power Authority	Thomas Papadopoulos		
6	Northern Indiana Public Service Co.	Joseph O'Brien	Affirmative	
6	Omaha Public Power District	David Ried	Negative	
6	PacifiCorp	Gregory D Maxfield	Negative	View
6	Portland General Electric Co.	John Jamieson	Negative	
6	PP&L, Inc.	Thomas Hyzinski	Negative	View

6	Progress Energy	James Eckelkamp	Affirmative	
6	PSEG Energy Resources & Trade LLC	James D. Hebson		
6	Public Utility District No. 1 of Chelan County	Hugh A. Owen	Negative	View
6	RRI Energy	Trent Carlson		
6	Salt River Project	Mike Hummel	Negative	View
6	Santee Cooper	Suzanne Ritter	Negative	View
6	Seattle City Light	Dennis Sismaet	Negative	View
6	Seminole Electric Cooperative, Inc.	Trudy S. Novak	Affirmative	
6	South Carolina Electric & Gas Co.	Matt H Bullard	Affirmative	
6	Southern California Edison Co.	Marcus V Lotto		
6	SunGard Data Systems	Christopher K Heisler		
6	Xcel Energy, Inc.	David F. Lemmons	Negative	View
8	Edward C Stein	Edward C Stein		
8	James A Maenner	James A Maenner	Negative	View
8	JDRJC Associates	Jim D. Cyrulewski	Negative	
8	Power Energy Group LLC	Peggy Abbadini		
8	Roger C Zaklukiewicz	Roger C Zaklukiewicz	Affirmative	
8	Volkman Consulting, Inc.	Terry Volkman	Affirmative	
9	California Energy Commission	William Mitchell Chamberlain	Negative	View
9	Commonwealth of Massachusetts Department of Public Utilities	Donald E. Nelson	Affirmative	
9	Maine Public Utilities Commission	Jacob A McDermott	Abstain	
9	Oregon Public Utility Commission	Jerome Murray	Negative	View
10	Electric Reliability Council of Texas, Inc.	Kent Saathoff	Negative	View
10	Florida Reliability Coordinating Council	Linda Campbell	Affirmative	
10	Midwest Reliability Organization	Dan R. Schoenecker	Negative	View
10	New York State Reliability Council	Alan Adamson	Affirmative	
10	Northeast Power Coordinating Council, Inc.	Guy V. Zito	Affirmative	
10	ReliabilityFirst Corporation	Jacque Smith	Abstain	
10	SERC Reliability Corporation	Carter B Edge		
10	Western Electricity Coordinating Council	Louise McCarren	Negative	View



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Standards Committee Procedure

Title: Processing Requests for an Interpretation

Purpose: To ensure that requests for interpretation are processed in accordance with the approved NERC Rules of Procedure, Standards Processes Manual, and Standards Committee’s prioritization process.

Conditions: When a requirement of an approved Reliability Standard is unclear, and the lack of clarity or an incorrect interpretation could result in a direct, material reliability impact to the requesting entity.

As stated in the Standard Processes Manual at page 27, an entity may only request an interpretation of a requirement of a Reliability Standard. Requests for clarifications of other Reliability Standard elements, including Applicability, Measures, Compliance Elements, Violation Risk Factors, Violation Severity Level, etc. are handled outside the interpretation process and must be raised through another NERC or regulatory vehicle. Entities with these questions should first review guidance provided on the Compliance section of the NERC website.

Responsibility	Activity
Interpretation Requester	Complete applicable sections of the “ Request for Interpretation ” form and submit to the Standards Process Manager.
Director of Standards Process	<p>Within ten calendar days, complete the following:</p> <ul style="list-style-type: none"> • Send the Requester an electronic confirmation of receipt of the request. • Verify that all required information has been provided. • Verify that the request is valid in accordance with the criteria stipulated in the Conditions Section of this document. • Identify extraneous information that is unrelated to the area of the standard needing clarification and produce a recommended set of revisions that includes only relevant information. • Based on the results of this review and if needed, send the Requester an indication of acceptance of the request, or any content that needs revision as well as development history relevant to the request. • Submit the request (revised by the Requester where appropriate, as indicated below) to the Director of Standards Development for project identification and prioritization, or recommend to the Standards Committee if the request is to be rejected.
Interpretation Requester	<p>As soon as reasonably possible after receipt of the Director of Standards Process’s comments regarding the request, if any, either:</p> <ul style="list-style-type: none"> • Submit a revised request; • Inform the Director of Standards Process that the requester seeks to move forward with the request as originally submitted; or • Notify the Director of Standards Process that the request is withdrawn.

Director of Standards Development	<ul style="list-style-type: none"> • Using the established project prioritization process, recommend to the Standards Committee the timing for moving into the interpretation formulation phase. • Where a drafting team on the requested standard exists, request that the Standards Committee form a drafting team with at least 5 members of the team. Where a drafting team on the requested standard does not exist, request that the Standards Committee solicit nominations to form the drafting team. • Appoint a coordinator to facilitate the drafting team in developing an interpretation.
Coordinator	Record all proceedings of the drafting team meetings and conference calls, and facilitate the posting of draft interpretation, response to comments, compilation of ballot results and all related process through to the Board's adoption of the industry-approved interpretation and filing with FERC.
Drafting Team	<p>Draft an interpretation that provides clarity on the requirements of the standard, in accordance with the Interpretation Drafting Team Guideline, and submit it to the Standards Program Administrator for editing and posting.</p> <p>The interpretation must provide clarity without expanding on any requirement.</p> <p>If an interpretation within the above stated condition cannot be written, or if the request reveals a reliability gap that requires changes to the standard, the drafting team should report to the Standards Committee of its conclusion, and recommend the appropriate corrective action to bridge the gap.</p> <p>If an agreement cannot be reached on an interpretation, seek the guidance of the Standards Committee.</p>
Standards Committee	<p>If guidance is sought, the Standards Committee shall meet as soon as reasonably possible to consider the request for guidance. The committee shall provide guidance as requested, which may include one of the following:</p> <ul style="list-style-type: none"> • Remand the interpretation to the requester and ask for modifications to narrow the focus or improve clarity • Direct the drafting team to move its interpretation forward
Director of Standards Process	Conduct quality review and recommend to the Standards Committee to post the interpretation for a parallel comment and ballot period, or remand to the drafting team for revision if the interpretation does not meet established Quality Review criteria or the interpretation goes beyond the strict construction and intent of the standard or expands the reach of the standard to correct a perceived gap or deficiency.
Standards Program Administrator	<p>Post the Request for Interpretation and the Proposed Interpretation for a 30-day formal comment period to include the following questions:</p> <ul style="list-style-type: none"> • Does this interpretation modify the intent of the approved standard? • Do you agree with this interpretation? If not, why not.
Drafting Team	<p>Review and respond to all comments.</p> <p>If the comments indicate that there is consensus for the interpretation, and either no changes or only minor changes are needed, submit the response to</p>

	<p>comments and a redline and clean version of the interpretation to the Director of Standards Process for quality review and request to post the interpretation for a 45-day formal comment period, with a ballot during the last 10 days of the comment period.</p> <p>If the comments indicate that there is not a consensus for the interpretation, consider revising the interpretation. If the interpretation can be revised without modifying the intent of the approved standard, develop a modified interpretation and submit the response to comments, and redline and clean versions of the interpretation to the Director of Standards Process for quality review and request to post for a 45-day comment period. Formation of the ballot pool takes place during the first 30 days of this 45-day comment period.</p>
Standards Program Administrator	<p>Post the Request for Interpretation and the Interpretation for a 45-day comment period.</p> <p>Announce the opening of the 45-day comment period and ballot pool window.</p> <p>Announce and conduct an Initial Ballot for the last 10 days of the 45-day comment period.</p> <p>Assemble comments submitted with comment forms and ballots and distribute to the Drafting Team.</p>
Drafting Team	<p>Review and respond to all comments.</p> <p>If the comments (or the results of the ballot) do not indicate consensus for the interpretation, either:</p> <ul style="list-style-type: none"> • Revise the interpretation and post for another comment and ballot period, or • Recommend that the interpretation be withdrawn and a SAR be entered into the standards process to revise the standard.
Standards Program Administrator	<p>Post the drafting team's response to comments.</p> <p>If the comments indicate consensus for the interpretation, announce and conduct a recirculation ballot for 10 calendar days.</p> <p>If the drafting team made significant revisions and resubmitted the interpretation for quality review, after the quality review is completed and the Director, Standards Process has recommended to the Standards Committee that the interpretation be posted for successive comment and ballot, post for a 30-day formal comment period with a successive ballot during the last 10 days of the comment period.</p>
Director, Standards	<p>If the drafting team has made significant revisions to the interpretation, I conduct another quality review and recommend to the Standards Committee to post the interpretation for a parallel comment and ballot period, or remand to the drafting team for revision if the interpretation does not meet established Quality Review criteria or the interpretation goes beyond the strict construction and intent of the standard or expands the reach of the standard to correct a perceived gap or deficiency.</p> <p>If a recirculation ballot was conducted, submit the interpretation to the Board of Trustees for its approval.</p>
Board of Trustees	<p>The Board shall adopt or reject the interpretation, but may not modify the proposed interpretation. If the board chooses not to adopt the interpretation, it</p>

	shall provide its reasons for not doing so.
Standards Administrator	Append the interpretation to the board approved version of the standard, update the standard's version number, and send a notice of the approval to the standards list servers.
Director, Standards	Submit the interpretation (appended to the associated standard) to applicable governmental authorities for approval.
Standards Administrator	Once approval is received from applicable governmental authorities, modify applicable governmental approved version of the standard and send a notice to the standards list servers.