

# Consideration of Comments

## Project 2013-02 Paragraph 81

The Paragraph 81 Drafting Team thanks all commenters who submitted comments on the redlined versions of 22 standards showing 38 requirements proposed to be retired. The standards were posted for a 45-day public comment period from October 25, 2012 through December 10, 2012. Stakeholders were asked to provide feedback on the standards through a special electronic comment form. There were 32 sets of comments, including comments from approximately 113 different people from approximately 64 companies representing 8 of the 10 Industry Segments as shown in the table on the following pages.

All comments submitted may be reviewed in their original format on the standard's [project page](#).

If you feel that your comment has been overlooked, please let us know immediately. Our goal is to give every comment serious consideration in this process! If you feel there has been an error or omission, you can contact the Vice President and Director of Standards, Mark Lauby, at 404-446-2560 or at [mark.lauby@nerc.net](mailto:mark.lauby@nerc.net). In addition, there is a NERC Reliability Standards Appeals Process.<sup>1</sup>

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<sup>1</sup> The appeals process is in the Standard Processes Manual: [http://www.nerc.com/files/Appendix\\_3A\\_StandardsProcessesManual\\_20120131.pdf](http://www.nerc.com/files/Appendix_3A_StandardsProcessesManual_20120131.pdf)

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2. Do you have any comments on the technical white paper?.....	20

**The Industry Segments are:**

- 1 — Transmission Owners
- 2 — RTOs, ISOs
- 3 — Load-serving Entities
- 4 — Transmission-dependent Utilities
- 5 — Electric Generators
- 6 — Electricity Brokers, Aggregators, and Marketers
- 7 — Large Electricity End Users
- 8 — Small Electricity End Users
- 9 — Federal, State, Provincial Regulatory or other Government Entities
- 10 — Regional Reliability Organizations, Regional Entities

Group/Individual		Commenter	Organization	Registered Ballot Body Segment											
				1	2	3	4	5	6	7	8	9	10		
1.	Group	Guy Zito	Northeast Power Coordinating Council												X
Additional Member		Additional Organization		Region	Segment Selection										
1.	Alan Adamson	New York State Reliability Council, LLC		NPCC	10										
2.	Ben Wu	Orange and Rockland Utilities, Inc.		NPCC	1										
3.	Greg Campoli	New York Independent System Operator		NPCC	2										
4.	Sylvain Clermont	Hydro-Quebec TransEnergie		NPCC	1										
5.	Donald Weaver	New Brunswick System Operator		NPCC	2										
6.	Gerry Dunbar	Northeast Power Coordinating Council		NPCC	10										
7.	Mike Garton	Dominion Resources Services, Inc.		NPCC	5										
8.	Kathleen Goodman	ISO - New England		NPCC	2										
9.	Wayne Sipperly	New York Power Authority		NPCC	5										
10.	David Kiguel	Hydro One Networks Inc.		NPCC	1										

Group/Individual	Commenter	Organization	Registered Ballot Body Segment																	
			1	2	3	4	5	6	7	8	9	10								
11. Christina Koncz	PSEG Power LLC	NPCC	5																	
12. Randy MacDonald	New Brunswick Power Transmission	NPCC	9																	
13. Bruce Metruck	New York Power Authority	NPCC	6																	
14. Silvia Parada Mitchell	NextEra Energy, LLC	NPCC	5																	
15. Lee Pedowicz	Northeast Power Coordinating Council	NPCC	10																	
16. Robert Pellegrini	The United Illuminating Company	NPCC	1																	
17. Si-Truc Phan	Hydro-Quebec TransEnergie	NPCC	1																	
18. David Ramkalawan	Ontario Power Generation, Inc.	NPCC	5																	
19. Brian Robinson	Utility Services	NPCC	8																	
20. Chris de Graffenried	Consolidated Edison Co. of New York, Inc.	NPCC	1																	
21. Peter Yost	Consolidated Edison Co. of New York, Inc.	NPCC	3																	
2.	Group	Jesus Sammy Alcaraz	Imperial Irrigation District (IID)	X		X	X	X	X											
<b>Additional Member Additional Organization Region Segment Selection</b>																				
1.	Jose Landeros	IID	WECC	1, 3, 4, 5, 6																
2.	Al Juarez	IID	WECC	1, 3, 4, 5, 6																
3.	Marcela Caballero	IID	WECC	1, 3, 4, 5, 6																
4.	Cathy Bretz	IID	WECC	1, 3, 4, 5, 6																
3.	Group	Greg Rowland	Duke Energy	X		X		X	X											
<b>Additional Member Additional Organization Region Segment Selection</b>																				
1.	Doug Hils	Duke Energy	RFC	1																
2.	Lee Schuster	Duke Energy	FRCC	3																
3.	Dale Goodwine	Duke Energy	SERC	5																
4.	Greg Cecil	Duke Energy	RFC	6																
4.	Group	Jamison Dye	Bonneville Power Administration	X		X		X	X											
<b>Additional Member Additional Organization Region Segment Selection</b>																				
1.	Bart McManus	Technical Operations	WECC	1																
2.	Ayodele Idowu	Technical Operations	WECC	1																
3.	Daniel Goodrich	Technical Operations	WECC	1																
4.	Tim Loepker	Dispatch	WECC	1																

Group/Individual	Commenter	Organization	Registered Ballot Body Segment																	
			1	2	3	4	5	6	7	8	9	10								
5.	Forrest Krigbaum	System Operations	WECC	1																
6.	Huy Ngo	Design & Maint	WECC	1																
7.	John Wylder	Stds Montr & Admin	WECC	1																
8.	Thomas Gist	Stds Montr & Admin	WECC	1																
9.	Jenny Wilson	Transmission Planning	WECC	1																
10.	Larry Furumasu	Transmission Planning	WECC	1																
11.	Kyle Kohne	Transmission Planning	WECC	1																
12.	Richard Becker	Substation Engineering	WECC	1																
13.	Kieran Connolly	Generation Scheduling	WECC	5																
14.	Erika Doot	Generation Support	WECC	3, 5, 6																
15.	Deanna Phillips	FERC Compliance	WECC	1, 3, 5, 6																
5.	Group	Randall Heise	Dominion Resource Services		X		X		X	X										
<b>Additional Member Additional Organization Region Segment Selection</b>																				
1.	Michael	Garton	MRO	5, 6																
2.	Connie	Lowe	RFC	6																
3.	Louis	Slade	RFC	5																
4.	Randall	Heise	NPCC	5, 6																
5.	Michael	Crowley	SERC	5, 1, 3																
6.	Group	Sasa Maljukan	Hydro One Networks Inc.		X															
<b>Additional Member Additional Organization Region Segment Selection</b>																				
1.	David kiguel	Hydro One Networks Inc.	NPCC	1																
7.	Group	Jim Kelley	SERC EC Planning Standards Subcommittee		X				X											
<b>Additional Member Additional Organization Region Segment Selection</b>																				
1.	John Sullivan	Ameren Services Company	SERC	1																
2.	Charles Long	Entergy Services, Inc.	SERC	1																
3.	Edin Habibovich	Entergy Services, Inc.	SERC	1																
4.	James Manning	NC Electric Membership Cooperation	SERC	1																
5.	Philip Kleckley	SC Electric & Gas Company	SERC	1																
6.	Bob Jones	Southern Company Services	SERC	1																

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7. Pat Huntley	SERC Reliability Corp.	SERC	10																																																									
8. Group	Robert Rhodes	SPP Standards Review Group		X																																																								
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9. Group	Jason Marshall	ACES Standards Collaborators								X																																																		
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10. Group	Albert DiCaprio	ISO/RTO Standards Review Committee		X																																																								
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Group/Individual		Commenter	Organization	Registered Ballot Body Segment									
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6.	Greg Campoli	NYISO	NPCC 2										
7.	Ben Li	IESO	NPCC 2										
11.	Individual	Jana Van Ness, Director of Regulatory Compliance	Arizona Public Service Company	X		X		X	X				
12.	Individual	Emily Pannel	Southwest Power Pool Regional Entity										X
13.	Individual	Antonio Grayson	Southern Company	X		X		X	X				
14.	Individual	Thomas C. Duffy	Central Hudson Gas & Electric Corporation			X							
15.	Individual	David Ramkalawan	Ontario Power Generation					X					
16.	Individual	John Bee	Exelon	X		X	X	X	X				
17.	Individual	Andrew Gallo	City of Austin dba Austin Energy	X		X	X	X	X				
18.	Individual	Andrew Z. Puztai	American Transmission Company	X									
19.	Individual	Nazra Gladu	Manitoba Hydro	X		X		X	X				
20.	Individual	David Jendras	Ameren	X		X		X	X				
21.	Individual	Patrick Brown	Essential Power, LLC					X					
22.	Individual	David Thorne	Pepco Holdings Inc.	X		X							
23.	Individual	Thad Ness	American Electric Power	X		X		X	X				
24.	Individual	Michelle D'Antuono	Occidental Energy Ventures Corp.			X		X		X			
25.	Individual	Patricia Metro	National Rural Electric Cooperative Association (NRECA)	X		X	X						
26.	Individual	Kathleen Goodman	ISO New England Inc.		X								
27.	Individual	Michael Falvo	Independent Electricity System Operator		X								
28.	Individual	Orlando Ciniglio	Idaho Power Company	X									
29.	Individual	Brett Holland	Kansas City Power & Light	X		X		X	X				
30.	Individual	Jason Snodgrass	Georgia Transmission Corporation	X									
31.	Individual	Daniela Hammons	CenterPoint Energy	X									
32.	Individual	Oliver Burke	Entergy Services, Inc. (Transmission)	X									

If you support the comments submitted by another entity and would like to indicate you agree with their comments, please select "agree" below and enter the entity's name in the comment section (please provide the name of the organization, trade association, group, or committee, rather than the name of the individual submitter).

**Summary Consideration:** Thank you to Exelon and ISO New England, Inc. for supporting the comments of EEI and SRC, respectively. The Standard Drafting Team (SDT) will address the specific comments of SRC below, and notes that EEI did not submit specific comments.

Organization	Supporting Comments of "Entity Name"
Exelon	Exelon agrees with EEI's position and comments submitted related to this project.
ISO New England Inc.	ISO RTO Council Standards Review Committee (SRC)



1. If retired, do any Reliability Standard requirements proposed for retirement create a gap in reliability? If yes, please explain in the comment area.

**Summary Consideration:** In summary, no entity showed that a gap in reliability would result from the retirement of the proposed Reliability Standard requirements. Also, in general, the comments were very supportive of the retirement of the proposed Reliability Standard requirements, and the few questions or concerns raised are addressed in the individual responses. Based on comments and the recent approval of EOP-004-2 by the NERC Board of Trustees, CIP-001-2a R4 and EOP-004-1 R1 will be moved to Section V of the technical paper entitled: “The Initial Phase Reliability Standards Provided for Informational Purposes.”

Organization	Yes or No	Question 1 Comment
ACES Standards Collaborators	No	(1) We do not see any reliability gaps created by the proposed retirements. Many of the requirements that have been moved to the second phase of the project could actually be retired in this phase without creating reliability gaps. We believe the approach to move several requirements to the second phase is overly conservative. However, we understand that drafting team must balance the retirement of requirements in this phase with satisfying concerns of stakeholders that no reliability gaps are created. (2) We are not opposed to the plan to review the linkages between BAL and INT standards in the next phase. However, we continue to believe that reloading of curtailed transactions is a commercial issue not a reliability issue. Thus, INT-004-2 easily meets criteria A and B and should be retired in phase one.

**Response:** ACES Standards Collaborators indicates that it did not see any reliability gaps resulting from the proposed Phase 1 retirement of requirements. The SDT acknowledges ACES Standards Collaborators’ concern that deferring requirements to Phase 2 may be viewed as overly conservative, and the SDT notes that the requirements proposed in Phase 1 were influenced by the collaborative and expedited nature of Phase 1. The SDT also notes that it took just 5 months from the issuance of the Standards Authorization Request (“SAR”) to a vote receiving over 90% approval for the Phase 1 requirements. In addition, on December 13, 2013, the Standards Committee passed a Reliability Standards Development Plan that requires the application of Paragraph 81

Organization	Yes or No	Question 1 Comment
<p>("P81") concepts to all new projects. One of the Reliability Standards Development Plan's projects is the review of the INT standards, including INT-004-2, which is scheduled to begin in the first quarter of 2013. Thus, the SDT believes that ACES Standards Collaborators' request for consideration of INT-004-2 will be timely and appropriately considered in the review of the INT standards, and, therefore, it is not necessary to include it in Phase 1 of P81.</p>		
American Electric Power	No	AEP is not aware of any reliability gaps that would occur as a result of retiring the proposed Reliability Standards requirements.
<p><b>Response: The SDT acknowledges AEP's comment that it is not aware of any reliability gaps resulting from the proposed Phase 1 retirement of requirements.</b></p>		
CenterPoint Energy	No	CenterPoint Energy believes that the Reliability Standard requirements proposed for retirement in the initial phase ("Phase 1") of NERC Project 2013-02 'Paragraph 81' would not create a gap in reliability if they were retired. An increase in efficiency of the ERO compliance program should result with the removal of these Phase 1 requirements and the removal of additional Reliability Standard requirements in subsequent phases of this project.
<p><b>Response: The SDT acknowledges CenterPoint Energy's comment that it believes that the proposed Phase 1 retirement of requirements should not create a gap in reliability and should also increase the efficiency of the ERO's compliance program.</b></p>		
Occidental Energy Ventures Corp.	No	Occidental Energy Ventures Corp ("OEV"). believes that the retirement of the Phase I requirements will pose little, if any, risk to the BES. However, in our view, this is a good start to a much more extensive restructuring of the regulatory model. Of course, the industry will need to gauge FERC's response to the initial grouping of requirements, but we should be prepared to aggressively push down this path.
<p><b>Response: The SDT acknowledges Occidental Energy Ventures Corp's comment that it believes the proposed Phase 1 retirement of requirements will pose little, if any, risk to the Bulk Electric System, and its support for a more extensive restructuring of the regulatory model.</b></p>		

Organization	Yes or No	Question 1 Comment
City of Austin dba Austin Energy	No	Please note: CIP-001-2a EA4 should be retired at the same time as CIP-001-2a R4 for the same reasons. We agree with the SDT regarding requirements applicable to the GO/GOP.
<p><b>Response:</b> During the balloting of the P81 Phase 1 requirements, EOP-004-2 was approved by stakeholders and the NERC Board of Trustees and was filed with its implementation plan on December 31, 2012 with regulatory agencies for approval. As part of the EOP-004-2 implementation plan, all of CIP-001-2a will be retired six months after regulatory approval. In the technical paper at Page 18, it was noted that: "... if EOP-004-2 does receive stakeholder approval and is adopted by the NERC Board of Trustees, the SDT will reconsider retirement via the P81 project and may include CIP-001-2a R4 for informational purposes only." Given that a regulatory filing has been filed to retire all of CIP-001-2a, the SDT has revised the technical paper to include CIP-001-2a R4 for informational purposes only.</p>		
Manitoba Hydro	No	Standard revision numbers and Requirement sequence changes should be made at a later date, as future revisions are required to each Standard that contains any retired Requirements. This will relieve the undesirable administrative burden, while reflecting accurate revision numbers and Requirement sequences, as changes are required to the Standards.
<p><b>Response:</b> The SDT agrees with Manitoba Hydro’s comment that revisions to standard and requirement numbers should not be made at this time, given undesirable administrative burdens. The SDT has consulted with NERC staff on this issue, and no revision numbers will be implemented at this time.</p>		
SERC EC Planning Standards Subcommittee	No	The comments expressed herein represent a consensus of the views of the above-named members of the SERC EC Planning Standards Subcommittee only and should not be construed as the position of SERC Reliability Corporation, its board, or its officers”
<p><b>Response:</b> The SDT acknowledges that SERC EC Planning Standards subcommittee’s comments are not the position of SERC Reliability Corporation.</p>		

Organization	Yes or No	Question 1 Comment
Ontario Power Generation	No	The technical white paper has provided reasonable and well thought-out justifications for the retirement proposal to those reliability standard requirements.
<p><b>Response: The SDT thanks Ontario Power Generation for its comment and agrees that the technical paper: “... has provided reasonable and well thought-out justifications for the retirement proposal to those reliability standard requirements.”</b></p>		
Southwest Power Pool Regional Entity	No	While CIP-007-3/4, Requirement R7.3 by itself has no immediate impact on the reliability of the Bulk Electric System, performance of R7.3 is required by the entity in order to be able to demonstrate compliance with CIP-007-3, Requirements R7.1 and R7.2 that, if not performed properly, could result in an impact to reliability. Elimination of this requirement could expose the registered entity to greater risk of non-compliance with the remaining requirements as it no longer requires the entity to maintain appropriate and sufficient evidence of performance with the remaining requirements. For the reasons described, the SPP RE is opposed to retiring CIP-007-3/4, Requirement R7.3.
<p><b>Response: Southwest Power Pool Regional Entity states that while retirement of CIP-007-3, -4 R7.3: “... has no immediate impact on the reliability of the Bulk Electric System...” it is required to demonstrate compliance. As explained in the technical paper at Page 31, Section 400 of the NERC Rules of Procedure provides for a Regional Entity to request evidence to monitor compliance, and, therefore, it is unnecessary to also have a Reliability Standard that also requires the entity to retain records as set forth in CIP-007-3, -4 R7.3. The SDT also notes that the Responsible Entity has the burden to demonstrate compliance with CIP-007-3, -4 R7.1 and R7.2, notwithstanding the existence of CIP-007-3, -4 R7.3. For these reasons, the SDT affirms its decision to retire CIP-007-3, -4 R7.3.</b></p>		
Northeast Power Coordinating Council	No	
Imperial Irrigation District (IID)	No	
Duke Energy	No	

Organization	Yes or No	Question 1 Comment
Bonneville Power Administration	No	
Dominion Resource Services	No	
Hydro One Networks Inc.	No	
SPP Standards Review Group	No	
Arizona Public Service Company	No	
Southern Company	No	
Central Hudson Gas & Electric Corporation	No	
American Transmission Company	No	
Ameren	No	
Essential Power, LLC	No	
Pepco Holdings Inc.	No	
National Rural Electric Cooperative Association (NRECA)	No	
Idaho Power Company	No	
Kansas City Power & Light	No	
Georgia Transmission Corporation	No	

Organization	Yes or No	Question 1 Comment
Entergy Services, Inc. (Transmission)	No	
Independent Electricity System Operator	Yes	<p>1. BAL-005-0.2b, R2 - agree                  2. CIP-001-2a, R4 - we do not agree this is administrative in nature. Preparedness is an essential element in having the capability to readily respond to pressing reliability issues. Establishing contact with the enforcement authorities is a necessary component in preparing for reporting suspect or detected sabotage. Such reporting can help protect or minimize damages to BES facilities and/or Adverse Reliability Impact due to malicious acts. R1 to R3 do not have such a requirement to report sabotage events to the law enforcement authorities. If these authorities are included in Requirement R3, then the gap may be considered filled and R4 can be retired. However, this is not yet the case. We therefore suggest that R4 not be retired at this time.                  3. CIP-003-3, -4 R1.2 - agree                  4. CIP-003-3, -4 R3, R3.1, R3.2, R3.3 - while we agree that having the exception documented and approved by Senior Manager adds little to reliability, we do not agree that the entire requirement should be removed since this requirement is intended for implementing control of an entity's adherence to its Cyber Security policy, or document exceptions otherwise. Further, we do not concur with the SDT's view that over time, responsible entities may believe they can exempt themselves from compliance with the CIP requirements. Entities may exempt themselves from having some of their processes/procedures for cyber security not implemented, but their adherence to the policy and documenting exceptions are to be assessed during audit, which is not determined by the entities themselves. Any deviation from the requirement (the proposed "making exemption from compliance with the CIP requirement") will be identified and the entities will be found non-compliant.                  5. CIP-003-3, -4 R4.2 - we agree that the action to classify the CCA information is redundant, but we do not think R4.2 can be removed entirely since the element "based on the sensitivity of the Critical Cyber Asset information" needs to be retained. Suggest to revise R4 to capture this element, or, at a minimum, consult the CIP SDT on the merit of retaining this element in R4.                  6. CIP-005-3a, -4a R2.6 -</p>

Organization	Yes or No	Question 1 Comment
		<p>agree.7. CIP-007-3, -4 R7.3 - agree.8. COM 001-1.1 R6 - agree.9. EOP-004-1 R1 - we do not agree with retiring this requirement. The RRO should have a formal reporting procedure in place to ensure adequate and detailed reporting is provided on system disturbances or any unusual event. This procedure is necessary for entities to meet the goals of further requirements in this standard that pertain to preliminary and final disturbance reporting .10. EOP-005-2 R3.1 - agree.11. EOP-009-0 R2 - agree.12. FAC-002-1 R2 - we do not agree that the requirement is burdensome. The requirement seems to meet the overarching criterion A from the White Paper (it requires responsible entities to conduct an activity or task that does little, if anything, to benefit or protect the reliable operation of the BES), however, at a careful reading, the requirement seems to fail meeting at least one of the Criteria B: B1 (it is administrative, but not burdensome), B2 (it is data collection/retention, but we are not sure if NERC collects this data by any other method), B3 to B6 (it does not seem to fit any of these criteria).13. FAC-008-1 R1.3.5 - agree.14. FAC-008-1 R2; FAC-008-1 R3; FAC-008-3 R4; FAC-008-3 R5 - agree.15. FAC-010-2.1 R5; FAC-011-2 R5 - agree.16. FAC-013-2 R3 - agree.17. INT-007-1 R1.2 - agree, but there needs to be a requirement somewhere to stipulate that all entities involved in the Arranged Interchange must register with NERC such that transactions' participants can be contacted for confirmation of transactions being approved or to make changes when transactions are curtailed. Until such time that this requirement is developed elsewhere, INT-007-1 R1.2 should remain in effect. 18. IRO-016-1 R2 - It does not make sense to retire this requirement, but still keep M1 - the measure associated with requirement R1 - in the standard. M1 states that each RC must have evidence, such as operator log or another data source, of actions taken for the event or disagreement or both. However, R2 is the requirement which states the RC shall document the actions taken via operator log or another data source. Therefore, removing R2 would create inconsistency in the standard.19. NUC-001-2 R9.1; NUC-001-2 R9.1.1; NUC-001-2 R9.1.2; NUC-001-2 R9.1.3; NUC-001-2 R9.1.4 we agree with retiring all of the 9.1, except R9.1.2: The agreement should contain the names of the applicable entities and the responsibilities assigned to</p>

Organization	Yes or No	Question 1 Comment
		<p>each one in relation to the NPIR.20. PRC-008-0 R1; PRC-008-0 R2; PRC-009-0 R1; PRC-009-0 R1.1; PRC-009-0 R1.2; PRC-009-0 R1.3; PRC-009-0 R1.4; PRC-009-0 R2; PRC-010-0 R2; PRC-022-1 R2 - agree.21. TOP-001-1a R3 - agree.22. TOP-005-2a R1 - agree.23. VAR-001-2 R5 - agree.</p>
<p><b>Response:</b> With respect to CIP-001-2a R4, Independent Electricity System Operator (IESO) expresses a concern that without R4, entities will not be properly prepared to contact law enforcement in the event of a sabotage event. During the comment and ballot period of the P81 project, EOP-004-2 was approved by stakeholders and the NERC Board of Trustees, and was filed with its implementation plan on December 31, 2012 with regulatory agencies for approval. As part of the EOP-004-2 implementation plan, all of CIP-001-2a will be retired six months after regulatory approval. In the technical paper at Page 18, it was noted that: “... if EOP-004-2 does receive stakeholder approval and is adopted by the NERC Board of Trustees, the SDT will reconsider retirement via the P81 Project and may include CIP-001-2a R4 for informational purposes only.” Given that a regulatory filing has been filed to retire all of CIP-001-2a, the SDT has revised the technical paper to include CIP-001-2a R4 for informational purposes only. For the same reasons, in response to IESO’s concern on EOP-004-1 R1, the SDT has revised the discussion of EOP-004-1 R1 to include it in the technical paper for informational purposes only.</p> <p>With respect to CIP-003-3, -4 R3, IESO believes that the entire requirement should not be removed because it is a control for adhering to the Cyber Security Policy. It also states that entities do not view CIP-003-3, -4 R3 and its sub-requirements as a way to exempt themselves from compliance with the Critical Infrastructure Protection (CIP) requirements. As stated in the technical paper at page 24, an entity has the ability to implement a Cyber Security Policy that exceeds the CIP requirements without the need for CIP-003-3, -4 R3 – which could also include implementing appropriate controls. The SDT does not find that retiring CIP-003-3, -4 R3 and its sub-requirements impacts the ability of an entity to implement appropriate controls to its Cyber Security Policy. Also, as stated in the technical paper at page 24, the SDT understands that the intent of CIP-003-3, -4 R3 and its sub-requirements has been subject to misinterpretation, notwithstanding IESO’s disagreement with the SDT on this matter. Therefore, the SDT affirms that CIP-003-3, -4 R3 and its sub-requirements should be retired.</p> <p>In addition, IESO believes that the language in CIP-003-3, -4, R4.2 related to: “... based on the sensitivity of the Critical Cyber Asset information ...” should be retained. In the technical paper at Page 26, it was explained that this language:</p> <p>“... requires the entity to develop classifications based on a subjective understanding of sensitivity (i.e., no clear connection to serving reliability) the requirement does not support reliability. In this context, classifying based on sensitivity becomes an</p>		



Organization	Yes or No	Question 1 Comment
		<p>administrative function that becomes necessarily burdensome because of all the possible ramifications 'based on sensitivity' can produce, and, therefore, require SMEs to decide on and reduce to writing in a documented program. This is time and effort that could be better spent on other CIP activities that provide value to cyber security and actively protect the BES."</p> <p>IESO has not presented sufficient rationale for the SDT to reconsider its decision as explained in the technical paper. Given the rationale in the technical paper on the lack of a nexus between the language "based on the sensitivity" and reliability, the SDT affirms its decision to retire CIP-003-3, -4 R.4.2.</p> <p>IESO does not agree that FAC-002-1 R2 is burdensome and while it seems to meet criterion A, it believes that the requirement fails to meet at least one of the Criteria B. As stated in the technical paper on Pages 40 and 41, FAC-002-1 R2 meets Criteria B1 (administrative) and B2 (data collection/retention) because it is an administrative documentation requirement and NERC and the Regional Entities have the authority under Section 400 of the NERC Rules of Procedure to require an entity to submit data and information for purposes of monitoring compliance. This would generally occur during a spot check or compliance audit where entities would already have the obligation to produce the information required in R2 to demonstrate compliance with R1 and its sub-requirements, even without the existence of R2. Therefore, the SDT affirms that FAC-002-1 R2 should be retired.</p> <p>IESO further believes that INT-007-1 R1.2 may not be retired until there is another requirement requiring entities involved in Arranged Interchange to register with NERC so that participants in those transactions can contact each other when transactions are curtailed. As explained in the technical paper at Pages 56 and 57, the North American Energy Standards Board has established registry and other rules related to entities entering into Arranged Interchange, and, therefore, INT-007-1 R1.2 is no longer necessary. Therefore, the SDT affirms its decision to retire INT-007-1 R1.2.</p> <p>IESO states that with the retirement of IRO-016-1 R2, Measure M1 should also be retired as it relates to R2. The SDT notes that Measure M1 was not retired because it identifies how to measure compliance with IRO-016-1 R1.</p> <p>IESO does not agree with retiring NUC-001-2 R9.1.2, stating that "... the agreement should contain the names of the applicable entities and the responsibilities assigned to each one in relation to the NPIR." Although the SDT understands the usefulness of an agreement stating who has responsibilities for the duties set forth in the agreement, as set forth in the technical paper at Page 61, this language is contractual boilerplate and has no direct nexus to reliability. Therefore, the SDT affirms its decision to retire NUC-001-2 R9.1.2.</p>
Exelon	Yes	Exelon believes that if a company takes an exception it should be documented

Organization	Yes or No	Question 1 Comment
		<p>and proposes the following revision to R3: R3. Exceptions - Instances where the Responsible Entity cannot conform to its cyber security policy must be documented as exceptions and authorized by the senior manager or delegate(s).R3.1. Exceptions to the Responsible Entity’s cyber security policy must be documented. R3.2. Documented exceptions to the cyber security policy must include an explanation as to why the exception is necessary and any compensating measures.</p>
<p><b>Response: Exelon prefers a modification to CIP-003-3, -4 R3 and the sub-requirements than retirement. As explained in the technical paper at Page 26, entities have the ability to develop its own procedures to take an exemption to its Cyber Security Policy in situations that it chooses to exceed the CIP requirements without the existence of CIP-003-3, -4 R3 and the sub-requirements. Thus, an entity has the flexibility to implement the revised exemption provision after the retirement of CIP-003-3, -4 R3 and the sub-requirements. Accordingly, the SDT affirms its decision to retire the CIP-003-3, -4 R3.</b></p>		
<p>ISO/RTO Standards Review Committee</p>		<p>The SRC has not identified any reliability gaps caused by the proposed actions, but the SRC believes that there is value in retaining some of the deleted requirements in some other form. Documentation is not an Operating or Assessment obligation but it is a unique topic Chain-of-command should be addressed as a Certification issue or as a Assumption / Definition Issue The following requirements while not appropriate as mandatory Reliability Standards should be retained in some category (highlighted text is a proposed category)BAL-005-0.2b R2 (Current Industry Operating Practice) CIP-003-3 R1.2 CIP-003-3 R3 CIP-003-3 R4.2 CIP-003-4 R3 CIP-003-4 R3.1 CIP-003-4 R3.2CIP-003-4 R3.3 CIP-003-4 R4.2 CIP-005-3a R2.6 CIP-005-4a R2.6 CIP-007-3 R7.3 CIP-007-4 R7.3 EOP-004-1 R1 (Industry Reports)EOP-005-2 R3.1 (Annual check-up / inspection)FAC-002-1 R2 ---FAC-008-1 R2 (Chain-of-Command)FAC-008-1 R3 ---FAC-008-3 R4 (Chain-of-Command)FAC-008-3 R5 ---FAC-010-2.1 R5** (Current Industry Assessment Practice)FAC-011-2 R5** (Current Industry Assessment Practice)FAC-013-2 R3 (Business Practice - NAESB)IRO-016-1 R2 (Documentation)NUC-001-2 R9.1 (Current Industry Operating Practice)NUC-001-2 R9.1.1 (Annual check-up / inspection)NUC-001-2 R9.1.2 (Documentation)NUC-001-2 R9.1.3 (Documentation)NUC-001-2 R9.1.4</p>

Organization	Yes or No	Question 1 Comment
		(Certification)PRC-010-0 R2 (Current Industry Assessment Practice)PRC-022-1 R2 (Documentation)Please note the IESO will submit its own comments regarding the following requirements: CIP-001-2a R4CIP-003-3 R3.1 CIP-003-3 R3.2 CIP-003-3 R3.3 CIP-003-4 R14.2INT-007-1 R1.2 (Certification)VAR-001-2 R5** (Business Practice - NAESB)

Response: The SRC states that it does not see any reliability gap with the proposed retirements; however, it provides ideas on how some requirements may be useful in another format or forum. The SDT appreciates the SRC’s ideas and encourages the SRC to work with the appropriate NERC committees to discuss and possibly implement its approach.

2. Do you have any comments on the technical white paper?

**Summary Consideration:** A few entities provided clarifying comments for consideration in the technical white paper, and those comments have been incorporated to enhance the readability and clarity of the technical white paper. A few commenters had concerns with the discussion of specific requirements and whether this was the time to renumber requirements; these concerns are addressed in the individual comments below. There were also comments related to possible formats for Phase 2, and while not within the scope of this SDT information, was provided based on the Standard Committee’s approval of the Reliability Standards Developmental Plan. A few commenters also expressed concerns that were compliance related. The SDT reminds stakeholder that the focus of the P81 effort was to retire requirements that had little or no benefit to reliability.

Organization	Yes or No	Question 2 Comment
SERC EC Planning Standards Subcommittee	No	The comments expressed herein represent a consensus of the views of the above-named members of the SERC EC Planning Standards Subcommittee only and should not be construed as the position of SERC Reliability Corporation, its board, or its officers”
<b>Response: The SDT acknowledges that SERC EC Planning Standards subcommittee’s comments are not the position of SERC Reliability Corporation.</b>		
Northeast Power Coordinating Council	No	
Imperial Irrigation District (IID)	No	
Dominion Resource Services	No	
Arizona Public Service Company	No	

Organization	Yes or No	Question 2 Comment
Ontario Power Generation	No	
Exelon	No	
American Transmission Company	No	
Ameren	No	
Essential Power, LLC	No	
American Electric Power	No	
Independent Electricity System Operator	No	
Idaho Power Company	No	
Kansas City Power & Light	No	
CenterPoint Energy	No	
Entergy Services, Inc. (Transmission)	No	
Pepco Holdings Inc.	Yes	As part of this effort, a new revision number for any standard that is changed should be used. Also any measurements or registered entities (e.g. RRO) that would no longer apply should be deleted.
<p><b>Response:</b> The SDT agrees with Pepco Holdings that measurements associated with retired requirements should be concurrently retired. The SDT points Pepco Holdings to the posted redline of the Reliability Standards that retires measurements associated with retired requirements. For administrative efficiency, the Reliability Standards will not be renumbered and functional entities will not be deleted at this time, but the next time the standard is revised it is understood that renumbering and removal of</p>		

Organization	Yes or No	Question 2 Comment
<p>entities that are no longer applicable will occur.</p>		
<p>ACES Standards Collaborators</p>	<p>Yes</p>	<p>(1) On page 5, several requirements are marked with two asterisks but there is no footnote or additional information. Please indicate the purpose of the asterisks or remove them. (2) The supporting statement in the technical whitepaper and SAR that Criteria C is needed to make an informed decision “in the determination of whether a Reliability Standard requirement satisfies both Criteria A and B” is inconsistent with the actual Criteria. Criterion C2 questions if the requirement is being reviewed in an on-going standards development project. While this is certainly a relevant question and a valid reason to not include a requirement in the P81 project, the question simply provides no input on whether Criteria A and B are met. We suggest changing the supporting statement to be clearer that Criteria C in essence is more information to make an informed decision but may not necessarily have any indication on whether Criteria A and B are satisfied. (3) The supporting statement in the technical whitepaper and SAR that Criteria C provides “additional information to assist in the determination of whether a Reliability Standard requirement satisfies both Criteria A and B” is inconsistent with the SAR. In the detailed description, the SAR states that the initial phase shall only identify requirements that satisfy both Criteria A and B. These are supposed to be the requirements that easily meet these two criteria sets. Thus, why is Criteria C evaluated in the whitepaper. If these criteria are easily met, Criteria C is not needed to assist in the determination and the associated information while interesting would appear to be superfluous.</p>
<p><b>Response:</b> ACES Standards Collaborators seeks clarification of the use of ** on Page 5 of the technical white paper. The SDT refers ACES Standards Collaborators to Footnote 4 of the technical white paper that states: “Those requirements that were not part of the draft SAR, but were added based on stakeholder comments are denoted by a ‘**’ throughout this technical white paper.”</p> <p>ACES Standards Collaborators also seeks clarification on the role of Criteria C. The SDT notes that Criteria C was only considered after a requirement met both Criteria A and B. The application of Criteria C provided additional information that in some cases</p>		

Organization	Yes or No	Question 2 Comment
<p>emphasized the need to retire the requirement (<i>e.g.</i>, was not results-based) and other times indicated that it may not be necessary to continue with retirement (<i>e.g.</i>, the requirement was already scheduled in a reasonable period of time to be retired through another standards project). The SDT believes this approach is consistent with the clarification sought by ACES Standards Collaborators, and, thus will clarify the language in the technical white paper on the application of Criteria C. The SDT also notes that the SAR states that, “...for all phases, the standard drafting team shall also consider the data and reference points set forth below in Criterion C when deciding whether a Reliability Standard requirement should be retired or modified.”</p>		
Bonneville Power Administration	Yes	BPA appreciates the drafting team's decision to include TOP-001-1 R3 in the technical white paper for informational purposes rather than proposing to retire it.
<p><b>Response: The SDT is appreciative of Bonneville Power Administration’s understanding of the treatment of TOP-001-1 R3.</b></p>		
Central Hudson Gas & Electric Corporation	Yes	<p>CHG&amp;E believes the reason for retiring CIP-003-3,-4 R3 and its sub-requirements is fallacious. The reason provided in the technical white paper is essentially: " First, and most importantly, that requirement has never been available for use to exempt an entity from compliance with any requirement of any NERC reliability standard. It only applies to exceptions to internal corporate policy, and only in cases where the policy exceeds a NERC standard requirement, or addresses an issue that is not covered in a NERC reliability standard. For example, if an internal corporate policy statement requires that all passwords be a minimum of 8 characters in length, and be changed every 30 days, this provision could be used for internal governance purposes to lessen the corporate requirement, back to the password requirements in CIP-007 R5.3, or in conjunction with a TFE to something else. The removal of this requirement has no effect on the TFE process, or compliance with any other NERC reliability standard requirement."CHG&amp;E wishes to highlight the fact that NERC has no jurisdiction to impose or grant exceptions to internal corporate policies. Therefore, this requirement (and its sub - requirements) can only have been crafted to address exceptions to the NERC CIP requirements. Throughout this standard, the NERC requirements for a ‘cyber security policy’ are delineated. This requirement specifically addresses exceptions</p>

Organization	Yes or No	Question 2 Comment
		<p>to the 'cyber security policy'. As written, this requirement can only be interpreted to mean that an exception to the NERC CIP required 'cyber security policy' is acceptable if properly documented and approved by the CIP Senior Manager. Central Hudson Gas &amp; Electric Corporation strongly disagrees with the inclusion of CIP-003-3, -4 Requirements R3, R3.1, R3.2, R3.3 as candidates for retirement. The reasons stated in the SAR in favor of inclusion are that these requirements are administrative in nature and are purely examples of a documentation process. Further it is stated in the SAR that they, "... have been subject to misinterpretation, including responsible entities believing they can exempt themselves from compliance with the CIP requirements." This last statement is precisely the reason why the aforementioned requirements were included in the standard. These requirements allow Registered Entities to, on rare occasions, take an exception to one or several of the CIP requirements (for a limited period of time) if they (1) have valid cause (major emergency, Force Majeure, etc.), (2) document the occurrence and (3) are reviewed and approved by the CIP Senior Manager. This process supports the Registered Entity's compliance effort and acknowledges the need for special protocols to address emergency circumstances. Without such a process, the only recourse for the Registered Entity is to self-report a violation which is not within their control. In other words, retirement of these requirements would force the Registered Entity to be in full compliance with ALL CIP Standards ALL the time regardless of circumstance. The concept of realistic expectations was undoubtedly the reason these requirements were crafted and included in the standard. Further, with regard to the Registered Entity's decision to claim an exception, a system of checks and balances already exists. At the time of a compliance audit of the standard's requirements, the Regional Entity reviews and makes a determination as to whether the actions taken by the Registered Entity were warranted. Further, the fact that this requirement is included in the FFT process is of little consolation since any exception would still constitute a violation of the NERC Standard on the part of the Registered Entity and would carry with that violation the associated stakeholder</p>



Organization	Yes or No	Question 2 Comment
		liability.
		<p>Response: CHG&amp;E disagrees with retiring CIP-003-3,-4 R3 and its sub-requirements. CHG&amp;E is concerned that the language in the technical white paper on CIP-003-3,-4 R3 and its sub-requirements could be interpreted as NERC having jurisdiction to impose or grant exceptions to internal corporate policies and would require that entities be in compliance with all CIP requirements all of the time regardless of the circumstance and with no avenue to take an exemption to the CIP requirements. On the former point, the SDT clarifies that it was not the intent of the language in the technical white paper on CIP-003-3,-4 R3 and its sub-requirements to opine on the jurisdiction of NERC over “internal corporate policies.” With respect to CHG&amp;E’s latter concern, it appears more compliance-related than reliability-based. The criteria set forth in the SAR and technical white paper are focused on impacts to reliability, not compliance. The SDT believes CHG&amp;E’s compliance concerns are more appropriately discussed with its Regional Entity’s or NERC’s compliance and enforcement monitoring staff. For informational purposes only, the SDT points to the language in CIP-003-3, -4 R1.1 “... including provision for emergency situations ...” and R2.4 “The senior manager or delegate(s), shall authorize and document any exception from the requirements of the cyber security policy” as language CHG&amp;E may wish to consider in light of its concerns.” In addition, in R1 there is a requirement to “document and implement” a Cyber Security policy which at a <i>minimum</i> must contain the following: “... addresses the requirements in Standards CIP-002-3 through CIP-009-3, including provision for emergency situations.” In discussing this with the CIP SDT leadership, it was their intent in developing this requirement to allow entities to only waive the portions of those implemented policies which were in excess of the CIP-002-3 through CIP-009-3 set of requirements. In other words, NERC and FERC would not approve this R3 requirement if it allowed waiving other requirements by simply documenting an exception. The SDT finds no reason presented by CHG&amp;E that indicates that it should reverse its decision to retire CIP-003-3,-4 R3 and its sub-requirements. Thus, the SDT affirms its decision to retire CIP-003-3,-4 R3 and its sub-requirements.</p>
Manitoba Hydro	Yes	<p>CIP-003-3,-4 R1.2: Technical Justification (page 19): CIP personnel should act based on their cyber security policy; a policy which must address the CIP-002 through CIP-009 standards as required by CIP-003 R1.1. As a result, the specific training processes and procedures will reflect the cyber security policy. We suggest "they will act via their specific training, processes and procedures which reflect the overarching cyber security policy." CIP-007-3, -4 R7.3: (1) Technical Justification (page 32): For added clarity, we suggest the wording “... small number of Reliability Standard requirements explicitly mandating ...”. (2) Data and information collection for ERO compliance monitoring purposes is certainly within</p>

Organization	Yes or No	Question 2 Comment
		<p>the context of the Reliability Standards. For added clarity, we suggest the wording "... for ERO compliance monitoring purposes without specific data collection language in the Reliability Standards." (3) It is unclear who "the entities" are. Should this state "Responsible Entities"? (4) For additional clarity, we suggest the wording "... the Reliability Standards are arguably more difficult to understand ...".</p>
<p><b>Response: The SDT appreciates Manitoba Hydro suggested enhancements and has worked them into the technical white paper. The SDT also notes that the term Responsible Entities is defined as “entities” on Page 6 of the technical white paper.</b></p>		
Southern Company	Yes	<p>FAC-002-1 R2-The comments in the technical white paper concerning FAC-002-1 R2 are correct. Entities already have the obligation to provide the documentation of the evaluation of the reliability impact of new facilities upon request to demonstrate compliance to R1 and its sub-requirements, thus making R2 unnecessary. Furthermore, a requirement to retain documentation does not benefit or protect the reliable operation of the BES. VAR-001-2 R5: While Southern agrees that the elimination of VAR-001-2, R5 is appropriate, there is some concern that the justification that the TOP’s adherence to R2 as a double check to ensure there are sufficient reactive power resources to protect the voltage levels under normal and Contingency conditions may be viewed by FERC as redirecting the burden from the PSEs and LSEs to the TOP. The LSE’s (particularly) need to make their reactive resources available to the TOP in order for the TOP to acquire/use these reactive resources to protect voltage levels. Also, consider that not all entities necessarily take service under a transmission tariff, so references to other contractual mechanisms such as Interchange Agreements, etc. might be cited in the Technical White Paper for ensuring sufficient reactive resources are provided and made available by transmission customers.</p>
<p><b>Response: The SDT agrees with the clarifications suggested by Southern Company and has worked them into the technical paper.</b></p>		
Georgia Transmission Corporation	Yes	<p>GTC is very supportive of the recent ERO, Regional Entity and industry stakeholder efforts in response to the opportunity provided by FERC in paragraph 81 of the</p>

Organization	Yes or No	Question 2 Comment
		<p>Find, Fix, Track and Report Order to review and eliminate standards that provide no or minimal reliability benefits. However, we are disappointed with the small number of requirements that are proposed for retirement in this initial phase of work. GTC would like to note that because duplicative requirements for subsequent versions of Reliability Standards are never mandatory at the same time, the net impact of requirements being proposed for retirement identified in the “Redline of Standards with Proposed Retirements” for phase 1 is only 28 out of 1650 FERC approved requirements or 1.7%. This small percentage does not seem to reflect well on the view that NERC’s FFT initiative is predicated on, of which FERC has extended an invitation to justify without imposing a deadline. From our review of the P81 Technical White Paper, it appears that there are many more requirements in addition to the 28 identified that meet the criteria for deletion. And while a phased approach has been recommended, the certainty associated with subsequent phases occurring in a timely manner is questionable and GTC recommends a big picture approach. We believe the small number of requirements identified in phase I would be more palatable if a big picture perspective was provided once submitting to FERC. For example, a breakdown similar to the one below would provide more confidence that future phases would occur and be successful:</p> <ul style="list-style-type: none"> <li>o At the end of the day, we believe we can eliminate approximately xx number or xx percentage of requirements</li> <li>o This will be completed in three phases</li> <li>o Phase one will include approximately xx requirements, posted to FERC in fourth quarter, 2012</li> <li>o Phase two will include approximately xx requirements, posted to FERC in xx quarter, 2013</li> <li>o Phase three posting will...Laying out the bigger picture keeps the momentum going and also let’s FERC know that the first posting only begins to scratch the surface of the issue. Furthermore, we are aware of current standards drafting teams that are drafting requirements that would meet the criteria for deletion stated in this Technical White Paper. There is a pressing need to implement a mechanism to ensure “P81-qualified” requirements are not drafted going forward or eliminated prior to NERC BOT approval.GTC will continue to support this effort as it moves through the NERC standards development process and participate in future phases</li> </ul>

Organization	Yes or No	Question 2 Comment
		of work related to the P81 project. Our goal is to ensure future phases of this effort lead to retirement of a much greater number of requirements that are not necessary for the reliability of the BES.
<p><b>Response:</b> Georgia Transmission Corporation raises points related to whether Phase 1 of P81 included sufficient requirements and the uncertainty and the timing of subsequent phases. As noted above, the Standards Committee recently approved a Reliability Standards Development Plan that requires P81 concepts to be applied to all Standard projects. Training will be offered to SDTs to ensure no new requirements would be introduced that might contradict this effort. The SDT is also encouraged that the Reliability Standards Development Plan has set forth an aggressive schedule to review the entire set of standards in 2013, many of which were identified by stakeholders in response to the draft P81 SAR.</p>		
Hydro One Networks Inc.	Yes	Hydro One very much appreciates the efforts of the SDT in trying to streamline and focus current standards to focus on requirement that impact to reliability. In addition to this, we hope that:- Phase II of this project will continue along the same path and advance the approach to other approved standards, and- Work on new and reviewed standards will include the criteria developed in this project (i.e. SDTs are fully directed to use Paragraph 81 criteria while developing new and reviewing existing standards).
<p><b>Response:</b> As noted above, the Standards Committee recently approved a Reliability Standards Development Plan that requires P81 concepts to be applied to all standard projects. The SDT is also encouraged that the Reliability Standards Development Plan has set forth an aggressive schedule to review the entire set of standards in 2013, many of which were identified by stakeholders in response to the draft P81 SAR. Thus, the SDT is hopeful that the recent approval of the Reliability Standards Development Plan will help continue on the Phase 1 path as recommended by Hydro One Networks Inc.</p>		
National Rural Electric Cooperative Association (NRECA)	Yes	NRECA is very supportive of the recent ERO, Regional Entities and industry stakeholder efforts in response to the opportunity provided by FERC in P81 of the Find, Fix, Track and Report Order to review and eliminate standard requirements that provide no or minimal reliability benefits. NRECA is disappointed with the small number of requirements that are proposed for retirement in this initial phase of work, but will support this effort as it moves through the NERC standards

Organization	Yes or No	Question 2 Comment
		<p>development process and will continue participating in future phases of work related to the P81 project. It is our goal to ensure future phases of this effort lead to retirement of a much greater number of requirements that are not necessary for the reliability of the Bulk Electric System. NRECA has reviewed the P81 Technical White Paper. It appears that there are many more requirements, in addition to the 38 identified, that meet the criteria for deletion most of which were included in the SAR for this project. Although the phase approach to this project was explained and many of the requirements included in the SAR will be addressed in a subsequent phases of the project, there is a concern that the future phases of the project will not be completed in a timely manner since there is no timeline provided for the future phases in the Implementation Plan for this project. Having such a time-line will demonstrate to the FERC that the industry and the ERO are dedicated to eliminating standard requirements that provide no or minimal reliability benefits. NRECA is concerned that drafting teams are drafting requirements that would meet the criteria for deletion stated in this Technical White Paper. There must be a mechanism in place to ensure “P81-qualified” requirements are not included in standards that are under development or in standards that are provided to the NERC BOT for approval. In addition, if requirements are retired that include an entity that is only required to comply with the standard because of the specific requirement that is to be retired said entity should be removed from the applicability of the standard. An example of such is VAR-01, R5 where this requirement is the only requirement applicable to a PSE, but the PSE has not been removed from the Applicability of the standard in the red-line version posted for comment.</p>
<p><b>Response:</b> Similar to our response to Georgia Transmission Corporation and Hydro One Networks Inc, the SDT hopes that the recent approval of the Reliability Standards Development Plan will help to alleviate any concerns of National Rural Electric Cooperative Association on the timing and content of Phase 2, as the Reliability Standards Development Plan requires P81 concepts to be applied to all standard projects. Training will also be offered to SDTs to ensure no new requirements would be introduced that might contradict this effort. The SDT also notes that the issue identified related to removing the PSE from the applicability section of VAR-001 will occur the next time that standard is reviewed and re-numbered, which based on the</p>		

Organization	Yes or No	Question 2 Comment
<p>Reliability Standards Developmental Plan, is scheduled for 2013.</p>		
<p>Occidental Energy Ventures Corp.</p>	<p>Yes</p>	<p>OEVC believes the drafting team did an excellent job researching and defending each proposed retirement. In our view, this is a fundamental necessity as we must assume that FERC will closely scrutinize each one. However, we anticipate that some form of cost/benefit analysis will be requested in each case - particularly since the entire impetus behind the Paragraph 81 project is the shortage of compliance resources. It may be a worthwhile exercise to develop a cost model that accounts for industry and CEA resources accurately and effectively. The results must be weighed against the expected benefit of any requirement - as the industry and regulatory bodies clearly have some important trade-offs to consider. In particular, with FERC’s recent emphasis on cyber security, cold weather preparation, and geomagnetic protection, some of the less effective requirements need to be removed. OEVC believes that the Commission will be reluctant to proceed in this manner without data that demonstrates the comparative benefit of each requirement.</p>
<p><b>Response: Occidental Energy Ventures Corp. suggests that the SDT consider using a cost benefit analysis or exercise that accounts for industry and CEA resources. The SDT notes that the Standards Committee has approved a cost effectiveness analysis process (“CEAP”) and will be implementing a pilot of this process on two standards projects in the first half of 2013. At this time, cost effectiveness considerations are not sufficiently developed to be applicable to the requirements proposed in Phase 1, nor does P81 express an expectation that such analysis for this project would be undertaken, and is focused on deletion of requirements that do little or nothing to contribute to reliability. Thus, while the SDT will not apply a cost effective test to the requirements proposed for retirement, the SDT suggests that Occidental Energy Ventures Corp. follow the developments on the CEAP Project as posted on the NERC “Standards Under Development” webpage through the Standards Committee.</b></p>		
<p>SPP Standards Review Group</p>	<p>Yes</p>	<p>Page 17 - The 6th through 12th lines are a stretch and do not add anything to the argument for retiring Requirement 3 of CIP-001-2a. It is conjecture on the part of the drafting team and should be removed from the paper. If the drafting team doesn’t agree and keeps this portion, please insert the word ‘require’ between ‘some’ and ‘corporate’ in the 8th line. Also, delete ‘to generic’ in the 11th line.</p>

Organization	Yes or No	Question 2 Comment
		<p>Page 26 - In the 10th line of the Technical Justification paragraph, insert ‘task’ between ‘administrative’ and ‘that’. Page 29 - At the beginning of the 6th line of the Technical Justification paragraph, delete the ‘is’. Page 32 - In the first line of the Criterion A paragraph, insert a ‘not’ between ‘does’ and ‘promote’. Page 59 - In the 8th line of the 2nd paragraph, the sentence ‘Thus, IRO-016-1 R1 does not support reliability.’ doesn’t seem right. Shouldn’t this be; it does support reliability? Or perhaps you meant to say that R2 does not support reliability. Also, in the next sentence, delete the second ‘that’. Page 61 - In the 15th line of the Technical Justification paragraph, delete the ‘an’ in front of unnecessarily.</p>
<p><b>Response: SPP Standards Review Group suggests that the SDT remove CIP-001-2a R4 from the technical paper. As noted above, this requirement is already proposed for retirement through EOP-004-2, and, therefore, will be included in the technical paper for informational purposes only.</b></p> <p><b>The SDT appreciates SPP Standards Review Group’s suggestions to improve the readability of the technical paper and have made the suggested changes.</b></p>		
City of Austin dba Austin Energy	Yes	<p>Please note: CIP-001-2a EA4 should be retired at the same time as CIP-001-2a R4 for the same reasons. We agree with the SDT regarding requirements applicable to the GO/GOP.</p>
<p><b>Response: Please see response to the City of Austin’s comments to question 1.</b></p>		
ISO/RTO Standards Review Committee	Yes	<p>The SRC agrees with the removal of the identified requirements. The SRC recognizes that the scope of this SAR is to identify inappropriate requirements and not necessarily to suggest what to do with those identified requirements for removal. The SRC suggests that the Technical White Paper recognize that some of these removed requirements can and should be retained (just not retained as Reliability Standards). See response to Q1 for suggestions.</p>

Organization	Yes or No	Question 2 Comment
<p><b>Response:</b> Please see the SDT’s response to the SRC’s comments to question 1.</p>		
<p>Southwest Power Pool Regional Entity</p>	<p>Yes</p>	<p>The white paper discussion for CIP-007-3/4, Requirement R7.3 proffers the idea that most data and information is collected for ERO compliance monitoring purposes outside of the context of Reliability Standards. While this might be the case of other standards, the SPP RE does not believe this is the case for the CIP-002 through CIP-009 Cyber Security standards, collectively referred to as the “CIP standards.” The CIP standards require the entity to produce a document (e.g., policy, program, procedure, process, or list); to implement a documented program, process, or procedure; and/or to perform and document certain measurable procedural steps. In the absence of disposition records, which are specifically not required by CIP-007-3/4, Requirements R7.1 and R7.2, there will unlikely be any data or information outside of the context of the Reliability Standards demonstrating compliance with R7.1 and R7.2. The authors of the white paper appear to object to the maintenance of process documentation in this instance yet do not object to other requirements in the CIP standards that similarly call for the production and maintenance of documentation. The SPP RE is concerned that the authors of the white paper have chosen to focus on individual requirements in a stand-alone manner and have failed to understand the supportive interrelationships of the CIP standards and their requirements.</p>
<p><b>Response:</b> Southwest Power Pool Regional Entity states that data and information related to CIP requirements are collected through the CIP requirements. Southwest Power Pool Regional Entity is particularly concerned that with the “... absence of disposition records, which are specifically not required by CIP-007-3/4, Requirements R7.1 and R7.2, there will unlikely be any data or information outside of the context of the Reliability Standards demonstrating compliance with R7.1 and R7.2.” As explained above, Section 400 of the NERC Rules of Procedure provides Regional Entities with the authority to request information needed to monitor compliance and the Responsible Entity has the burden of proof to demonstrate compliance. As stated in the technical white paper at Pages 31 and 32, there is no direct nexus between data retention and reliability. This is a compliance issue that is better served through procedures promulgated outside of the Reliability Standards. Thus, the SDT affirms its decision to retire CIP-007-3, -4 R7.3.</p>		



Organization	Yes or No	Question 2 Comment
<p>Southwest Power Pool Regional Entity also generally questions whether the SDT understands the interrelationship between the CIP requirements, because other CIP data retention requirements are not proposed for retirement in Phase 1. The SDT notes that the number and type of CIP requirements proposed for retirement in Phase 1 was shaped to some degree by the collaborative process between stakeholders and the staffs of the Regional Entities and NERC. The SDT also collaborated with the leadership of the CIP V5 SDT on the CIP requirements proposed for retirement. The SDT’s evaluations and discussions confirmed the appropriateness to retire the proposed CIP requirements. That is not to say, there are not other CIP data retention requirements that should be considered for retirement in the future. Thus, while the SDT understands Southwest Power Pool Regional Entity’s concern, it affirms its decision to retire the selected CIP requirements in Phase 1.</p>		
<p>Duke Energy</p>	<p>Yes</p>	<p>While we agree with retiring all of the Reliability Standard requirements proposed for retirement, we believe the P81 Project Technical White Paper should be more forceful in justifying retirement of the CIP requirements. Specifically, the “not an important part of a scheme of CIP Requirements” phrase is often used in Criteria C sections discussing VFR and AML issues. It would seem that FERC may have difficulty giving this phrase credibility since (i) the industry previously had balloted to approve such requirements, (ii) NERC BOT approved such requirements, and (iii) FERC approved such requirements. All of these approvals seem to indicate that all such entities previously believed that the requirements were important to the CIP scheme. Instead, we suggest that this phrase be replaced in each instance with phrases like the following: “As explained above and since the inception of this requirement, this requirement has not been shown to constitute a [key][integral] part of a scheme of CIP requirements.”</p>
<p><b>Response:</b> The SDT appreciates Duke Energy’s suggestions to clarify the technical white paper. The SDT believes that the intent of the language in the technical white paper is consistent with the suggestions of Duke Energy.</p>		

END OF REPORT