

NERC

NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

NERC Standards Grading

Industry Webinar

Chris Larson, Senior Standards Developer
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RELIABILITY | RESILIENCE | SECURITY



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- History of Periodic Review Standing Review Team (PRSRT)
- Standards grading process
- Standards grading tool
- Standards graded in 2020 & 2021
- Current status
- Next steps
- Question & Answer

- At the request of the NERC Board of Trustees (Board) and Member Representatives Committee, on March 9, 2016 the Standards Committee (SC) endorsed standards grading as a metric
 - This process provides Periodic Review (PR) teams with initial input for their reviews
- The Standing Review Team (SRT) is composed of:
 - SC chair (facilitator role)
 - Two representatives from Reliability and Security Technical Committee (RSTC)
 - A representative from a Regional Entity
 - NERC staff

Role	Name	Entity
Facilitator (SC Chair)	Amy Casuscelli	Xcel Energy
Member (RSTC)	Chris Shepherd	Gannet Fleming, Inc.
Member (RSTC)	Jeff Harrison	AECI
Member (Regional Entity)	Steven Rueckert	Western Electricity Coordinating Council
Member (NERC Staff)	Chris Larson	North American Electric Reliability Corporation

- Standards Grading Eligibility
 - The standard has been in effect for at least one year; or
 - If at least one year has passed since the “early adoption” effective date; or
 - Compliance expectations are not clear or the standard is not being consistently monitored
 - Feedback loops indicate risk (e.g., Event Analysis lessons learned)
- Grading process uses the same decision-tree and grading tools of the 2013 Independent Experts Review Panel (IERP), with the addition of one quality question on cost-effectiveness
- SRT members provided a response to each question
- Questions that indicated a deficiency were supported with an accompanying rationale under the comments column

- Each “Yes” answer has score of 1
 - Content questions (total of 4)
 - Quality questions (total of 13)
- Responses were analyzed from each SRT member’s grading
 - Average scores
 - Maximum difference
 - SRT preliminary grades

2020 Eligible Standards	2021 Eligible Standards
<p><u>COM-001-3 (R12, R13)</u></p> <p><u>IRO-001-4</u></p> <p><u>IRO-002-6</u></p> <p><u>IRO-008-2</u></p> <p><u>IRO-010-2</u></p> <p><u>IRO-014-3</u></p> <p><u>IRO-017-1</u></p> <p><u>IRO-018-1(i)</u></p> <p><u>TOP-001-4</u></p> <p><u>TOP-002-4</u></p> <p><u>TOP-003-3</u></p> <p><u>TOP-010-1(i)</u></p>	<p><u>BAL-002-3</u></p> <p><u>BAL-005-1</u></p> <p><u>EOP-004-4</u></p> <p><u>EOP-005-3</u></p> <p><u>EOP-006-3</u></p> <p><u>EOP-008-2</u></p>

2021 Standard Grading Summary

Standard	Rec	Content Questions					Quality Questions				
		RSTC	RE	NERC	Avg	Delta	RSTC	RE	NERC	Avg	Delta
BAL-002-3	R1.	3	3	3	3.00	0	12	12	12	12.00	0
BAL-002-3	R2.	4	4	4	4.00	0	12	12	13	12.33	1
BAL-002-3	R3.	4	3	4	3.67	1	12	13	13	12.67	1
BAL-005-1	R1.	4	4	4	4.00	0	13	13	13	13.00	0
BAL-005-1	R2.	4	4	4	4.00	0	12	13	11	12.00	2
BAL-005-1	R3.	4	4	4	4.00	0	13	13	13	13.00	0
BAL-005-1	R4.	4	4	4	4.00	0	12	12	12	12.00	0
BAL-005-1	R5.	4	4	4	4.00	0	12	11	13	12.00	2
BAL-005-1	R6.	4	4	4	4.00	0	12	13	12	12.33	1
BAL-005-1	R7.	4	4	4	4.00	0	12	13	13	12.67	1
EOP-004-4	R1.	4	2	4	3.33	2	13	13	12	12.67	1
EOP-004-4	R2.	4	3	3	3.33	1	13	13	13	13.00	0
EOP-005-3	R1.	4	3	3	3.33	1	13	13	11	12.33	2
EOP-005-3	R2.	4	3	4	3.67	1	13	12	13	12.67	1
EOP-005-3	R3.	4	3	4	3.67	1	13	13	13	13.00	0
EOP-005-3	R4.	4	4	4	4.00	0	12	12	12	12.00	0
EOP-005-3	R5.	4	4	4	4.00	0	12	13	13	12.67	1
EOP-005-3	R6.	4	4	4	4.00	0	12	13	13	12.67	1
EOP-005-3	R7.	4	4	3	3.67	1	13	13	12	12.67	1
EOP-005-3	R8.	4	4	4	4.00	0	13	13	13	13.00	0

- 2020 Standards Grading project was delayed due to pandemic
- Project was restarted with an industry comment period for 2020 grades, which ended May 5, 2021
 - Majority of industry comments were supportive of grades and rationale
- SRT reviewed industry comments and made some changes to grades and rationale
- SRT reached consensus and the team finalized the 2020 Standards Grades, which are posted on project page

- SRT meeting May 26, 2021 to review initial grades
 - Purpose is to reach a consensus grade for most requirements
 - Focused on deltas of >1 for content questions; >3 for quality questions
 - Reviewed each SRT member's initial grades for each Requirement
 - Rationale provided to support various scores
- Currently Posted for 45-day stakeholder comment period
 - Currently open through July 19, 2021
 - One question for each Standard
 - For XYZ Reliability Standard, do you agree with the scoring and findings of the SRT? If not, please comment on which tool question(s) the comment applies to and provide a supporting explanation.
- SRT will focus on those requirements whose consensus grades were not reached in the first meeting

- Industry comment period closes July 19
- Public Meeting (July 26, 2021) via Webex
 - Review and consider stakeholder comments
 - Reach a consensus grade on remaining requirements
 - Finalized grades will be appended to the 2022-2024 Reliability Standards Development Plan (RSDP)
 - The RSDP is endorsed by the SC, approved by the Board, and filed with FERC
- Final grades will be an input into any PR initiated as a result of the process along with additional information collected from other sources



Questions and Answers