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## I. NOTICES AND COMMUNICATIONS

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## II. BACKGROUND

### A. Regulatory Framework

Section 215(f) of the FPA provides the regulatory framework for revisions to the NERC ROP, stating that “[t]he [ERO] shall file with the Commission for approval any proposed rule or proposed rule change, accompanied by an explanation of its basis and purpose.”<sup>5</sup> Section 215(f) also provides that the proposed rule or rule change “shall take effect upon a finding by the Commission, after notice and opportunity for comment, that the change is just, reasonable, and not unduly discriminatory or preferential, is in the public interest, and satisfies the requirements of subsection (c) [of § 215].”<sup>6</sup> The Commission’s regulations require that the filing include “a description of the proceedings conducted by the [ERO] ... to develop the proposal.”<sup>7</sup> The NERC ROP are ERO rules as defined in Section 39.1 of the Commission’s regulations.<sup>8</sup>

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<sup>4</sup> NERC respectfully requests a waiver of Rule 203 of the Commission’s regulations, 18 C.F.R. § 385.203, to allow the inclusion of more than two persons on the service list in this proceeding.

<sup>5</sup> 16 U.S.C. § 824o(f).

<sup>6</sup> *Id.*

<sup>7</sup> 18 C.F.R. § 39.10.

<sup>8</sup> *Id.* § 39.1.

## **B. Appendix 3A of the NERC ROP, Standard Processes Manual**

The NERC Standard Processes Manual provides implementation detail in support of Section 300 of the NERC ROP, Reliability Standards Development. The document describes the policies and procedures to be followed related to the development, approval, revision, reaffirmation, and withdrawal of Reliability Standards, Interpretations, Violation Risk Factors and Violation Severity Levels, definitions, Variances, and supporting technical documents. The Standard Processes Manual also describes the roles of the Standards Committee, drafting teams, and the ballot body during the standard development process.

The Standard Processes Manual is designed to provide for reasonable notice and opportunity for public comment, due process, openness, and a balance of interests in developing proposed Reliability Standards, consistent with Section 215 of the FPA.<sup>9</sup> NERC is an American National Standards Institute (“ANSI”)-accredited standards developer.<sup>10</sup> As such, NERC reviews its Standard Processes Manual periodically to ensure it remains consistent with the ANSI essential requirements.<sup>11</sup>

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<sup>9</sup> 16 U.S.C. § 824o(c)(2)(d) (providing that the ERO must have established rules that “provide for reasonable notice and opportunity for public comment, due process, openness, and balance of interests in developing reliability standards and otherwise exercising its duties”). *See also* Order No. 672, *Rules Concerning Certification of the Electric Reliability Organization; and Procedures for the Establishment, Approval, and Enforcement of Electric Reliability Standards*, FERC Stats. & Regs. ¶ 31,204, at P 258, *order on reh’g*, Order No. 672-A, FERC Stats. & Regs. ¶ 31,212 (2006) (“Any proposed Reliability Standard development process must ensure that any Reliability Standard is technically sound and the technical specifications proposed would achieve a valuable reliability goal. The process must also: (1) be open and fair; (2) appropriately balance the interests of stakeholders; (3) include steps to evaluate the effect of the proposed Reliability Standard on competition; (4) meet the requirements of due process; and (5) not unnecessarily delay development of the proposed Reliability Standard.”).

<sup>10</sup> NERC ROP, Section 316 (“NERC shall seek and maintain accreditation of the NERC Reliability Standards development process by the American National Standards Institute.”).

<sup>11</sup> *See ANSI, Essential Requirements: Due Process Requirements for American National Standards* (January 2018), <https://share.ansi.org/Shared%20Documents/Standards%20Activities/American%20National%20Standards/Procedures%2C%20Guides%2C%20and%20Forms/ANSI-Essential-Requirements-2018.pdf>.

The currently effective version of the Standard Processes Manual, version 3, was approved by the Commission on June 26, 2013.<sup>12</sup> Version 3 represented a significant improvement in the standard development process, providing for flexibility and more streamlined standard posting and balloting procedures while maintaining reasonable notice and opportunity for public comment, due process, openness, and balance of interests in developing Reliability Standards. In the course of implementing version 3, NERC identified additional improvements and refinements. These revisions are the subject of this Petition.

### **C. Development of the Proposed Revisions**

Under the oversight of the NERC Standards Committee, a small group consisting of Standards Committee Process Subcommittee members and NERC staff reviewed specific sections of the NERC Standard Processes Manual to update the document and propose revisions that would clarify and improve existing language and standard processes. This project began in 2015 with a proposal to revise Section 6.0 of the Standard Processes Manual to create a formal role for NERC technical committees with relevant technical expertise in the development, approval, and oversight of field tests. Over time, the project scope expanded to include other sections of the manual.

Section 15 of the Standard Processes Manual describes the process that must be followed to revise standard processes. This revision process includes, among other things, formal comment and ballot periods and a ballot procedure that is the same as that used for approval of a Reliability Standard. **Exhibit B** to this Petition includes a summary of the development history and the complete record of development, including comments received by stakeholders on the proposed changes during each of the three comment periods and the drafting team's

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<sup>12</sup> *N. Am. Elec. Reliability Corp.*, 143 FERC ¶ 61,273 (2013).

consideration of those comments. The fourth draft of the revised Standard Processes Manual was approved by the ballot body on October 29, 2018 with an 81.61 percent approval rating with 85.96 percent quorum. The NERC Board of Trustees approved the proposed revisions on November 7, 2018.

### **III. PROPOSED REVISIONS**

The revisions proposed in version 4 of the Standard Processes Manual help to clarify the document and improve upon the processes for developing standards. The proposed revisions fall into the following general categories:

- improvements upon existing standard processes, including major revisions to the processes for field tests (Section 6.0) and posting of supporting technical documents (Section 11.0), and targeted revisions to the processes for appeals (Section 8.0) and Interpretations (Section 7.0);
- revisions to clarify existing processes, including processes for standards balloting and responding to comments (Section 4.0), developing Variances (Section 9.0), and periodic reviews (Section 13.0); and
- revisions to streamline language, correct capitalization or titles of documents, and make other necessary updates (Sections 1.0, 2.0, 3.0, 10.0, 16.0).

As revised, the Standard Processes Manual continues to provide for reasonable notice and opportunity for public comment, due process, openness, and a balance of interests in developing Reliability Standards, in accordance with the requirements of Section 215 of the FPA.

Additionally, the proposed revised Standard Processes Manual continues to meet all of the requirements necessary for NERC to maintain its ANSI accreditation.

Below is a section-by-section explanation of the proposed revisions. In addition to the changes described below, corrections in capitalization of defined terms and document names have been made throughout, and the document has been re-formatted into the current NERC template.

**A. Section 1.0: Introduction**

NERC proposes several non-substantive revisions in Sections 1.1 (Authority), 1:2 (Scope), and 1.3 (Background) to streamline language. Additionally, in Section 1.1, NERC proposes to add a provision to clarify that, unless otherwise specified, any period of time that is counted in days shall refer to calendar days. This provision and the corresponding changes throughout the document promote clarity and resolve inconsistencies in version 3 relating to the use of the terms “days” and “calendar days”.

**B. Section 2.0: Elements of a Reliability Standard**

NERC proposes to update Section 2.1 (Definition of a Reliability Standard) to match the current definition of that term, which was approved in 2016.<sup>13</sup> NERC also proposes several revisions in Section 2.5 (Elements of a Reliability Standard) to streamline language, to correct capitalization of defined terms, and to reflect the removal of Application Guidelines and Procedures from the NERC Reliability Standards template, in accordance with the Technical Rationale Policy endorsed by the NERC Standards Committee in 2017.<sup>14</sup> Under this policy, supporting technical information will no longer be appended to the standard in a Guidelines and Technical Basis section. Such information will instead be contained in a stand-alone Technical Rationale document.

**C. Section 3.0: Reliability Standards Program Organization**

Revisions are proposed in Sections 3.1 (Board of Trustees) and Section 3.4 (Standards Committee) to streamline language. Language regarding the composition of the Standards Committee is removed and replaced with a reference to the relevant ROP appendix.

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<sup>13</sup> *N. Am. Elec. Reliability Corp.*, Docket No. RR16-2-000 (Jan. 21, 2016) (delegated letter order).

<sup>14</sup> Technical Rationale in Reliability Standards (June 14, 2017), <https://www.nerc.com/pa/Stand/Resources/Documents/Technical%20Rationale%20in%20Standards.pdf>.



In Section 3.5 (NERC Reliability Standards Staff), a footnote is added to specify that the NERC Director of Standards may delegate authority to perform certain responsibilities under the Standard Processes Manual to another member of the NERC standards staff. This provision promotes the effective administration of the Reliability Standards program by allowing designated staff to undertake certain actions, such as authorizing a deviation from the usual rule governing the formation of ballot pools in the event of an extraordinary circumstance (*see* Section 4.8 (Form Ballot Pool)).

In Section 3.6 (Drafting Teams), revisions are proposed to specify that the Standards Committee shall appoint all drafting teams, including drafting teams for Interpretations, consistent with proposed revisions to Section 7.0.

In Section 3.7 (Governmental Authorities), revisions are proposed to allow for the inclusion in the future, without the need for further revisions to this section, of additional governmental authorities that may recognize NERC as the ERO and have the authority to approve Reliability Standards.

**D. Section 4.0: Process for Developing, Modifying, Withdrawing or Retiring a Reliability Standard**

Non-substantive revisions are proposed to language regarding posting periods in several subsections to improve readability and organization. Section 4.2 (SAR Posting) and Sections 4.12-4.14 are reorganized to clarify processes for responding to comments received during posting periods, conducting Additional Ballots, and conducting Final Ballots.

Section 4.4.2 contains two sets of substantive revisions. First, NERC proposes to delete as unnecessary and duplicative a requirement that each drafting team document how a proposed Reliability Standard meets the criteria for approval. Deleting this requirement is appropriate because it adds to the work of drafting teams but provides no additional benefit to the standard

development process. NERC staff work closely with drafting teams to ensure that all relevant criteria are met, including the criteria for governmental approval. Further, the purpose of the Quality Review (*see* Section 4.6) is to ensure that proposed Reliability Standards and related elements are within the scope of their associated Standard Authorization Request and meet all criteria for approval. All Reliability Standards must continue to meet the specified criteria. Second, Section 4.4.2 is revised to reflect current practice that drafting teams may develop and post technical documents to support draft Reliability Standards or related elements.

Specifically, NERC proposes to revise this section as follows:

#### Section 4.4.2: Draft Reliability Standard

~~The team shall develop a Reliability Standard that is within the scope of the associated SAR that includes all required elements as described earlier in this manual with a goal of and that meetsing the quality attributes identified in NERC's *Ten Benchmarks for of an Excellent Reliability Standards*, with a goal of meeting and the criteria for governmental approval. The team shall document its justification for the Requirements in its proposed Reliability Standard by explaining how each meets these criteria. The standard drafting team shall document its justification for selecting each reference by explaining how each Requirement fits the category chosen.~~

The drafting team may, at its discretion, develop one or more supporting technical documents to help explain or facilitate understanding of the draft Reliability Standard, implementation plan, VSL, or VRF. These supporting technical documents may include, among other things: (1) reference documents designed to provide the drafting team's technical rationale, analysis, or explanatory information to support the understanding of the draft Reliability Standard or related element; or (2) white papers designed to explain a technical position or concept underlying the draft Reliability Standard or related element. Such documents may be posted during an informal comment period (Section 4.5) or formal comment period (Section 4.7).

**E. Section 6.0: Processes for Conducting Field Tests and Collecting and Analyzing Data (*proposed new title: Process for Conducting Field Tests*)**

In Section 6.0, NERC proposes to create an enhanced process for field tests supporting Reliability Standards development. Under this proposed process, NERC technical committees with relevant technical expertise (e.g., the NERC Planning Committee, Operating Committee, or Critical Infrastructure Protection Committee) would have a formal role in the development, approval, and oversight of field tests supporting standards development. The formal inclusion of the technical committees in the field test process is expected to improve the quality of field tests and resulting outcomes, while providing for rigorous oversight of drafting team work by those NERC bodies with the relevant subject matter expertise. The Standards Committee would continue to provide oversight to ensure that all relevant processes are followed.

Under proposed Section 6.0, a drafting team (Standard Authorization Request or standard drafting team) would develop a field test plan and schedules for implementing the field test and providing periodic status updates. The drafting team would also coordinate with NERC Staff to identify the NERC technical committee with the relevant technical expertise to oversee the field test. That “lead” technical committee would determine whether the drafting team’s field test request is technically adequate and would make a recommendation to the Standards Committee regarding whether to approve the field test going forward.

Assuming the field test does go forward, the proposed process describes the various roles and responsibilities of the drafting team, the lead technical committee, the Standards Committee, and NERC staff in conducting the field test. The proposed process also describes the steps that must be taken to continue to provide for due process and transparency. These steps would include periodic reporting to the relevant committees and to the NERC Board of Trustees and

posting of field test plans and results to the NERC website prior to the ballot of any standard involving a field test.

The proposed process specifically provides that if NERC or the lead technical committee has determined that the field test is posing a risk to reliability, the test must be stopped. The proposed process then describes the steps that must be taken to document the action and make the appropriate notifications. The proposed process continues to provide for compliance waivers, subject to the discretion of NERC Compliance Monitoring Enforcement Program staff, for those participating entities that are unable to comply with a currently enforceable Reliability Standard by virtue of their participation in the field test.

NERC notes that, while proposed Section 6.0 no longer makes specific reference to drafting teams performing “data analysis,” drafting teams are not barred or otherwise discouraged from making use of available data to support the development of Reliability Standards or Standard Authorization Requests to guide standards development. NERC continues to have tools available to support data collection and analysis to support the development of Reliability Standards, including the Request for Data or Information under Section 1600 of the NERC ROP.

#### **F. Section 7.0: Process for Developing an Interpretation**

NERC proposes to revise Section 7.0 to improve the organization of the section and clarify language regarding what constitutes a valid Interpretation as well as the circumstances under which a request for Interpretation may be rejected. The proposed clarifications include, among other things:

- a statement that specific compliance approaches should not be pursued through the Interpretation process but rather through applicable NERC Compliance Monitoring and Enforcement Program processes (e.g., implementation or compliance guidance);

- clarifying the reference to the “record” for purposes of determining whether an issue has previously been addressed; and
- clarifying the types of projects into which an issue in an Interpretation request can be incorporated (i.e., existing project or one identified in the annual NERC Reliability Standards Development Plan).

The proposed revisions provide stakeholders with clarity on the types of issues that may and may not be addressed through the Interpretations process. The proposed revisions also include NERC staff periodically communicating the status of pending Interpretation requests to the Standards Committee. These proposed revisions promote transparency and are expected to help improve timeliness in responding to Interpretation requests.<sup>15</sup>

Additionally, NERC proposes to revise Section 7.0 to eliminate potential confusion regarding the appointment of drafting teams for Interpretations. Under new subheading Section 7.2.2, the Standards Committee shall appoint such teams based on recommendations from NERC staff, consistent with the appointment of standard drafting teams.

Lastly, to help ensure that initial draft Interpretations are sound and consistent with the criteria for a valid Interpretation, Section 7.2.3 contains new language to expressly require NERC staff to recommend to the Standards Committee whether an Interpretation should be posted for comment and ballot. This review and recommendation is in addition to the recommendation regarding adoption NERC staff is expected to make at the conclusion of the development process to the NERC Board of Trustees. NERC staff has traditionally reviewed draft Interpretations prior to the initiation of the comment and ballot process; the proposed revisions would clarify that this review is required.

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<sup>15</sup> In its Order on the 2014 Five Year Performance Assessment Report, the Commission encouraged NERC to “explore ways to reduce the time needed to process a request for interpretation.” *N. Am. Elec. Reliability Corp.*, 149 FERC ¶ 61,141, at P 63 (2014).

**G. Section 8.0: Process for Appealing an Action or Inaction**

NERC proposes revisions to Section 8.0 to specify that an appellant may withdraw its appeal by providing written notice to the NERC Director of Standards. Such withdrawal may be permitted at either the Level 1 Appeal or Level 2 Appeal stage. Additionally, and consistent with the proposed revisions in Section 3 described above, revisions are proposed to specify that the Director of Standards may delegate its authority to perform certain responsibilities in connection with an appeal. These responsibilities include preparing a response to a Level 1 Appeal and convening a Level 2 Appeals Panel. The proposed revisions facilitate the efficient administration of the standards appeal process by: (1) allowing for the termination of proceedings when the appellant no longer wishes to pursue its appeal to the decision stage; and (2) allowing, where appropriate, delegation of certain responsibilities in connection with appeals.

**H. Section 9.0: Process for Developing a Variance**

Revisions are proposed in Section 9.1 (Interconnection-wide Variances) to clarify that Variances that are proposed to apply only to the Quebec Interconnection, an Interconnection that is contained wholly within the Northeast Power Coordinating Council footprint, may be developed through the Northeast Power Coordinating Council Regional Reliability Standards development procedure.

**I. Section 10.0: Processes for Developing a Reliability Standard Related to a Confidential Issue**

Revisions are proposed to add explanatory text between the header and flowchart appearing under Section 10.7.

**J. Section 11.0: Process for Approving Supporting Documents**  
***(proposed new title: Process for Posting Supporting Technical Documents***  
***Alongside an Approved Reliability Standard)***

Revisions are proposed to Section 11 to clarify its scope and to define the criteria to be used for reviewing supporting technical documents before they may be posted on NERC's website alongside the associated Reliability Standard. Although this particular Section is not often invoked, NERC has identified opportunities to improve both Section 11 processes and stakeholder understanding of those processes.

The proposed revisions clarify that the scope of Section 11 is to define a process for approving the posting of supporting technical documents to approved Reliability Standards (i.e., Reliability Standards approved by applicable governmental authorities). Such documents are posted alongside the approved standard on the NERC website. Section 11 documents may be developed by any entity or individual and include references, lessons learned, and white papers that provide information that explains or facilitates understanding of the associated Reliability Standard. Such documents may not include those that provide specific compliance approaches or examples.

The proposed revisions clarify that the Section 11 review and authorization processes would not apply to supporting technical documents developed by a standard drafting team and posted as part of the standard development process. Such documents may be posted alongside the standard after it is approved to aid stakeholder understanding without the need for separate Standards Committee authorization under Section 11.

Under the revised Section 11, a proposed supporting technical document must meet three criteria before it may be posted on the NERC website alongside the approved standard. First, the document must be a type of supporting technical document contemplated by Section 11. Second, the document must be consistent with the purpose and intent of the associated standard. Lastly,

the document must have received adequate stakeholder review to assess its technical adequacy. The proposed revisions describe the roles and responsibilities of NERC staff and the Standards Committee in ensuring that these criteria are met, including the processes for posting such documents for stakeholder review to assess technical adequacy, before any documents may be approved to be posted alongside the associated, approved Reliability Standard.

The proposed revisions to Section 11 provide for transparency and due process in the evaluation of proposed supporting technical documents developed by individuals or entities outside of the regular standard development process. In addition, the proposed revisions specify that only those documents that meet the Section 11 quality criteria are posted on NERC's website alongside the standard. The proposed revisions also help facilitate ready and efficient access to documents developed by standard drafting teams and vetted through the standard development process by allowing the posting of such documents on NERC's website, alongside the corresponding approved Reliability Standards, without further Standards Committee authorization.

**K. Section 13.0: Process for Conducting Periodic Reviews of Reliability Standards**

NERC proposes non-substantive revisions in Section 13 to clarify the terminology used to refer to periodic reviews. A review is now referred to as a "periodic review," instead of a "five year review," where there are no outstanding governmental directives, Interpretations, or unresolved stakeholder issues and the Reliability Standard is being reviewed on account of five or ten years having passed since its effective date or NERC Board of Trustees adoption.

**L. Section 16.0: Waiver**

NERC proposes updates to reflect the dissolution of the Standards Oversight and Technology Committee and to correct capitalization of defined terms.



#### IV. CONCLUSION

For the reasons set forth above, NERC requests that the Commission approve the proposed revisions to the Standard Processes Manual, Appendix 3A of the NERC ROP, attached as Exhibit A, to be made effective upon Commission approval.

Respectfully submitted,

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Date: November 19, 2018

**Exhibit A**  
**Proposed Revisions**

**Exhibit A**

**Proposed Revisions to Appendix 3A to the NERC Rules of Procedure,**

**Standard Processes Manual**

**Clean**

**NERC**

NORTH AMERICAN ELECTRIC  
RELIABILITY CORPORATION

# Standard Processes Manual

VERSION 4

Effective TBD

**RELIABILITY | ACCOUNTABILITY**



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## Section 1.0: Introduction

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### 1.1: Authority

This manual is published by the authority of the North American Electric Reliability Corporation (“NERC”) Board of Trustees and has been incorporated into the NERC Rules of Procedure as Appendix 3A. It provides implementation detail in support of the NERC Rules of Procedure Section 300 — Reliability Standards Development.

Capitalized terms not otherwise defined herein shall have the meaning set forth in the Definitions Used in the Rules of Procedure, Appendix 2 to the Rules of Procedure. Unless otherwise specified, any period of time that is counted in days shall refer to calendar days.

### 1.2: Scope

The policies and procedures in this manual shall govern the activities of NERC related to the development, approval, revision, reaffirmation, and withdrawal of Reliability Standards, Interpretations, Violation Risk Factors (“VRFs”), Violation Severity Levels (“VSLs”), definitions, Variances, and reference documents developed to support standards for the Reliable Operation and planning of the North American Bulk Power Systems.

This manual also addresses the role of the Standards Committee, drafting teams, and the ballot body in the development and approval of Compliance Elements in conjunction with standard development.

### 1.3: Background

NERC is a nonprofit corporation formed for the purpose of becoming the North American ERO. NERC works with all stakeholder segments of the electric industry, including electricity users, to develop Reliability Standards for the reliability planning and Reliable Operation of the North American Bulk Power Systems. 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 Reliability Standards mandatory for all Bulk Power System owners, operators, and users. Similar authorities are provided by Applicable Governmental Authorities in Canada. The United States Federal Energy Regulatory Commission (“FERC”) certified NERC as the ERO effective July 2006. *North American Electric Reliability Corp.*, 116 FERC ¶ 61,062, *order on reh’g and compliance*, 117 FERC ¶ 61,126 (2006), *order on compliance*, 118 FERC ¶ 61,030 (2007).

### 1.4: Essential Attributes of NERC’s Reliability Standards Processes

NERC’s Reliability Standards development processes provide reasonable notice and opportunity for public comment, due process, openness, and balance of interests in developing a proposed Reliability Standard consistent with the attributes necessary for American National Standards Institute (“ANSI”) accreditation. The same attributes, as well as transparency, consensus-building, and timeliness, are also required under the ERO Rules of Procedure Section 304.

- **Open Participation**

Participation in NERC’s Reliability Standards development balloting and approval processes shall be open to all entities materially affected by NERC’s Reliability Standards. There shall be no financial barriers to participation in NERC’s Reliability Standards balloting and approval processes. Membership in the Registered Ballot Body shall not be conditional upon membership in any organization, nor unreasonably restricted on the basis of technical qualifications or other such requirements.

- **Balance**

NERC's Reliability Standards development processes shall not be dominated by any two interest categories, individuals, or organizations and no single interest category, individual, or organization is able to defeat a matter.

NERC shall use a voting formula that allocates each industry Segment an equal weight in determining the final outcome of any Reliability Standard action. The Reliability Standards development processes shall have a balance of interests. Participants from diverse interest categories shall be encouraged to join the Registered Ballot Body and participate in the balloting process, with a goal of achieving balance between the interest categories. The Registered Ballot Body serves as the consensus body voting to approve each new or proposed Reliability Standard, definition, Variance, and Interpretation.

- **Coordination and harmonization with other American National Standards activities**

NERC is committed to resolving any potential conflicts between its Reliability Standards development efforts and existing American National Standards and candidate American National Standards.

- **Notification of standards development**

NERC shall publicly distribute a notice to each member of the Registered Ballot Body, and to each stakeholder who indicates a desire to receive such notices, for each action to create, revise, reaffirm, or withdraw a Reliability Standard, definition, or Variance; and for each proposed Interpretation. Notices shall be distributed electronically, with links to the relevant information, and notices shall be posted on NERC's Reliability Standards web page. All notices shall identify a readily available source for further information.

- **Transparency**

The process shall be transparent to the public.

- **Consideration of views and objections**

Drafting teams shall give prompt consideration to the written views and objections of all participants as set forth herein. Drafting teams shall make an effort to resolve each objection that is related to the topic under review.

- **Consensus Building**

The process shall build and document consensus for each Reliability Standard, both with regard to the need and justification for the Reliability Standard and the content of the Reliability Standard.

- **Consensus vote**

NERC shall use its voting process to determine if there is sufficient consensus to approve a proposed Reliability Standard, definition, Variance, or Interpretation. NERC shall form a ballot pool for each Reliability Standard action from interested members of its Registered Ballot Body. Approval of any Reliability Standard action requires:

- A quorum, which is established by at least 75% of the members of the ballot pool submitting a response excluding unreturned ballots; and
- A two-thirds majority of the weighted Segment votes cast shall be affirmative. The number of votes cast during all stages of balloting except the final ballot is the sum of affirmative and negative votes with comments, excluding abstentions, non-responses, and negative votes without comments. During the final ballot, the number of votes cast is the sum of affirmative and negative votes, excluding abstentions and non-responses.

- ***Timeliness***

Development of Reliability Standards shall be timely and responsive to new and changing priorities for reliability of the Bulk Power System.

- ***Metric Policy***

The International System of units is the preferred units of measurement in NERC Reliability Standards. However, because NERC's Reliability Standards apply in Canada, the United States and portions of Mexico, where applicable, measures are provided in both the metric and English units.

## **1.5: Ethical Participation**

All participants in the NERC Standard development process, including drafting teams, quality reviewers, Standards Committee members and members of the Registered Ballot Body, are obligated to act in an ethical manner in the exercise of all activities conducted pursuant to the terms and conditions of the Standard Processes Manual and the standard development process.



## Section 2.0: Elements of a Reliability Standard

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### 2.1: Definition of a Reliability Standard

A Reliability Standard includes a set of Requirements that define specific obligations of owners, operators, and users of the North American Bulk Power Systems. The Requirements shall be material to reliability and measurable. A Reliability Standard is defined as follows:

“Reliability Standard” means a requirement, approved by the United States Federal Energy Regulatory Commission under Section 215 of the Federal Power Act, or approved or recognized by an applicable governmental authority in other jurisdictions, to provide for Reliable Operation of the Bulk Power System. The term includes requirements for the operation of existing Bulk Power System facilities, including cybersecurity protection, and the design of planned additions or modifications to such facilities to the extent necessary for Reliable Operation of the Bulk Power System, but the term does not include any requirement to enlarge such facilities or to construct new transmission capacity or generation capacity. (In certain contexts, this term may also refer to a “Reliability Standard” that is in the process of being developed, or not yet approved or recognized by FERC or an applicable governmental authority in other jurisdictions).<sup>1</sup>

### 2.2: Reliability Principles

NERC Reliability Standards are based on certain reliability principles that define the foundation of reliability for North American Bulk Power Systems.<sup>2</sup> Each Reliability Standard shall enable or support one or more of the reliability principles, thereby ensuring that each Reliability 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 Reliability Standard undermines reliability through an unintended consequence.

### 2.3: Market 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.<sup>3</sup> 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.

### 2.4: Types of Reliability Requirements

Generally, each Requirement of a Reliability Standard shall identify what Functional Entities shall do, and under what conditions, to achieve a specific reliability objective. Although Reliability Standards all follow this format, several types of Requirements may exist, each with a different approach to measurement.

- **Performance-based Requirements** define a specific reliability objective or outcome achieved by one or more entities that has a direct, observable effect on the reliability of the Bulk Power System, i.e. an effect that can be measured using power system data or trends. In its simplest form, a performance-based requirement has four components: who, under what conditions (if any), shall perform what action, to achieve what particular result or outcome.

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<sup>1</sup> See Appendix 2 to the NERC Rules of Procedure, Definitions Used in the Rules of Procedure.

<sup>2</sup> The intent of the set of NERC Reliability Standards is to deliver an adequate level of reliability. The latest set of reliability principles and the latest set of characteristics associated with an adequate level of reliability are posted on the Reliability Standards Resources web page.

<sup>3</sup> The latest set of market interface principles is posted on the Reliability Standards Resources web page.

- **Risk-based Requirements** define actions by one or more entities that reduce a stated risk to the reliability of the Bulk Power System and can be measured by evaluating a particular product or outcome resulting from the required actions. A risk-based reliability requirement should be framed as: who, under what conditions (if any), shall perform what action, to achieve what particular result or outcome that reduces a stated risk to the reliability of the Bulk Power System.
- **Capability-based Requirements** define capabilities needed by one or more entities to perform reliability functions and can be measured by demonstrating that the capability exists as required. A capability-based reliability requirement should be framed as: *who, under what conditions (if any), shall have what capability, to achieve what particular result or outcome to perform an action to achieve a result or outcome or to reduce a risk to the reliability of the Bulk Power System.*

The body of reliability Requirements collectively provides a defense-in-depth strategy supporting reliability of the Bulk Power System.

## 2.5: Elements of a Reliability Standard

A Reliability Standard includes several components designed to work collectively to identify what entities must do to meet their reliability-related obligations as an owner, operator or user of the Bulk Power System.

The components of a Reliability Standard may include the following:

**Title:** A brief, descriptive phrase identifying the topic of the Reliability Standard.

**Number:** A unique identification number assigned in accordance with a published classification system to facilitate tracking and reference to the Reliability Standards.<sup>4</sup>

**Purpose:** The reliability outcome achieved through compliance with the Requirements of the Reliability Standard.

**Applicability:** Identifies the specific Functional Entities and Facilities to which the Reliability Standard applies.

**Effective Dates:** Identification of the date or pre-conditions determining when each Requirement becomes effective in each jurisdiction.

**Requirement:** An explicit statement that identifies the Functional Entity responsible, the action or outcome that must be achieved, any conditions achieving the action or outcome, and the reliability-related benefit of the action or outcome. Each Requirement shall be a statement for which compliance is mandatory.

**Compliance Elements:** Elements to aid in the administration of ERO compliance monitoring and enforcement responsibilities.<sup>5</sup>

- **Measure:** Provides identification of the evidence or types of evidence that may demonstrate compliance with the associated requirement.
- **Violation Risk Factors and Violation Severity Levels:** Violation risk factors (VRFs) and violation severity levels (VSLs) are used as factors when determining the size of a penalty or sanction associated with the

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<sup>4</sup> Reliability Standards shall be numbered in accordance with the NERC Standards Numbering Convention as provided on the Reliability Standards Resources web page.

<sup>5</sup> It is the responsibility of the ERO Staff to develop compliance tools for each standard; these tools are not part of the standard but are referenced in this manual because the preferred approach to developing these tools is to use a transparent process that leverages the technical and practical expertise of the drafting team and ballot pool.

violation of a requirement in an approved Reliability Standard.<sup>6</sup> Each requirement in each Reliability Standard has an associated VRF and a set of VSLs. VRFs and VSLs are developed by the drafting team, working with NERC Staff, at the same time as the associated Reliability Standard, but are not part of the Reliability Standard. The Board of Trustees is responsible for approving VRFs and VSLs.

- **Violation Risk Factors**

VRFs identify the potential reliability significance of noncompliance with each requirement. Each requirement is assigned a VRF in accordance with the latest approved set of VRF criteria.<sup>7</sup>

- **Violation Severity Levels**

VSLs define the degree to which compliance with a requirement was not achieved. Each requirement shall have at least one VSL. While it is preferable to have four VSLs for each requirement, some requirements do not have multiple “degrees” of noncompliant performance and may have only one, two, or three VSLs. Each requirement is assigned one or more VSLs in accordance with the latest approved set of VSL criteria.<sup>8</sup>

**Version History:** The version history is provided for informational purposes and lists information regarding prior versions of Reliability Standards.

**Variance:** A Requirement (to be applied in the place of the continent-wide Requirement) that is applicable to a specific geographic area or to a specific set of Registered Entities.

**Compliance Enforcement Authority:** The entity that is responsible for assessing performance or outcomes to determine if an entity is compliant with the associated Reliability Standard. The Compliance Enforcement Authority will be NERC or the Regional Entity in their respective roles of monitoring and enforcing compliance with the NERC Reliability Standards.

The only mandatory and enforceable components of a Reliability Standard are the: (1) applicability, (2) Requirements, and the (3) effective dates. The additional components are included in the Reliability Standard for informational purposes and to provide guidance to Functional Entities concerning how compliance will be assessed by the Compliance Enforcement Authority.

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<sup>6</sup> The *Sanction Guidelines of the North American Electric Reliability Corporation* identifies the factors used to determine a penalty or sanction for violation of a Reliability Standard and is posted on the NERC web site.

<sup>7</sup> The latest set of approved VRF Criteria is posted on the Reliability Standards Resources web page.

<sup>8</sup> The latest set of approved VSL Criteria is posted on the Reliability Standards Resources web page.

## Section 3.0: Reliability Standards Program Organization

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### 3.1: Board of Trustees

The NERC Board of Trustees shall consider for adoption Reliability Standards, definitions, Variances and Interpretations and associated implementation plans that have been developed according to this manual. Once the Board adopts a Reliability Standard, definition, Variance or Interpretation, the Board shall direct NERC Staff to file the document(s) for approval with Applicable Governmental Authorities.

### 3.2: Registered Ballot Body

The Registered Ballot Body comprises all entities or individuals that qualify for one of the Segments approved by the Board of Trustees<sup>9</sup>, and are registered with NERC as potential ballot participants in the voting on Reliability Standards. Each member of the Registered Ballot Body is eligible to join the ballot pool for each Reliability Standard action.

### 3.3: Ballot Pool

Each Reliability 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 request to participate in that particular Reliability Standard action. The ballot pool votes on each Reliability Standards action. The ballot pool remains in place until all balloting related to that Reliability Standard action has been completed.

### 3.4: Standards Committee

The Standards Committee serves at the pleasure and direction of the NERC Board of Trustees, and the Board approves the Standards Committee's Charter.<sup>10</sup> The composition of the Standards Committee and the election of its members is set forth in Appendix 3B to the NERC Rules of Procedure, *Procedures for Election of Members of the Standards Committee*.

The Standards Committee is responsible for managing the Reliability Standards processes for development of Reliability Standards, definitions, Variances and Interpretations in accordance with this manual. The responsibilities of the Standards Committee are defined in detail in the Standards Committee's Charter. The Standards Committee is responsible for ensuring that the Reliability Standards, definitions, Variances and Interpretations developed by drafting teams are developed in accordance with the processes in this manual and meet NERC's benchmarks for Reliability Standards as well as criteria for governmental approval.<sup>11</sup>

The Standards Committee has the right to remand work to a drafting team, to reject the work of a drafting team, or to accept the work of a drafting team. The Standards Committee may disband a drafting team if it determines (a) that the drafting team is not producing a standard in a timely manner; (b) the drafting team is not able to produce a standard that will achieve industry consensus; (c) the drafting team has not addressed the scope of the SAR; or (d) the drafting team has failed to fully address a regulatory directive or otherwise provided a responsive or equally efficient and effective alternative. The Standards Committee may direct a drafting team to revise its work to follow the processes in this manual or to meet the criteria for NERC's benchmarks for Reliability Standards, or to meet the criteria for governmental approval; however, the Standards Committee shall not direct a drafting team to change the technical content of a draft Reliability Standard.

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<sup>9</sup> The industry Segment qualifications are described in the Development of the Registered Ballot Body and Segment Qualification Guidelines document posted on the Reliability Standards Resources web page and are included in Appendix 3D of the NERC Rules of Procedure.

<sup>10</sup> The Standards Committee Charter is posted on the Reliability Standards Resources web page.

<sup>11</sup> The *Ten Benchmarks of an Excellent Reliability Standard* and FERC's Criteria for Approving Reliability Standards are posted on the Reliability Standards Resources web page.

The Standards Committee shall meet at regularly scheduled intervals (either in person, or by other means). All Standards Committee meetings are open to all interested parties.

### 3.5: NERC Reliability Standards Staff

The NERC Reliability Standards Staff, led by the Director of Standards,<sup>12</sup> is responsible for administering NERC's Reliability Standards processes in accordance with this manual. The NERC Reliability Standards Staff provides support to the Standards Committee in managing the Reliability Standards processes and in supporting the work of all drafting teams. The NERC Reliability Standards Staff works to ensure the integrity of the Reliability Standards processes and consistency of quality and completeness of the Reliability Standards. The NERC Reliability Standards Staff facilitates all steps in the development of Reliability Standards, definitions, Variances, Interpretations and associated implementation plans.

The NERC Reliability Standards Staff is responsible for presenting Reliability Standards, definitions, Variances, and Interpretations to the NERC Board of Trustees for adoption. When presenting Reliability Standards-related documents to the NERC Board of Trustees for adoption or approval, the NERC Reliability Standards Staff shall report the results of the associated stakeholder ballot, including identification of unresolved stakeholder objections and an assessment of the document's practicality and enforceability.

### 3.6: Drafting Teams

The Standards Committee shall appoint industry experts to drafting teams to work with stakeholders in developing and refining Standard Authorization Requests ("SARs"), Reliability Standards, definitions, Variances, and Interpretations. The NERC Reliability Standards Staff shall provide, or solicit from the industry, essential support for each of the drafting teams in the form of technical writers, legal, compliance, and rigorous and highly trained project management and facilitation support personnel.

Each drafting team may consist of a group of technical, legal, and compliance experts that work cooperatively with the support of the NERC Reliability Standards Staff.<sup>13</sup> The technical experts provide the subject matter expertise and guide the development of the technical aspects of the Reliability Standard, assisted by technical writers, legal and compliance experts. The technical experts maintain authority over the technical details of the Reliability Standard. Each drafting team appointed to develop a Reliability Standard is responsible for following the processes identified in this manual as well as procedures developed by the Standards Committee from the inception of the assigned project through the final acceptance of that project by Applicable Governmental Authorities.

Collectively, each drafting team:

- Drafts proposed language for the Reliability Standards, definitions, Variances, and/or Interpretations and associated implementation plans.
- Develops and refines technical documents that aid in the understanding of Reliability Standards.
- Works collaboratively with NERC Compliance Monitoring and Enforcement Staff to develop Reliability Standard Audit Worksheets ("RSAWs") at the same time Reliability Standards are developed.
- Provides assistance to NERC Staff in the development of Compliance Elements of proposed Reliability Standards.

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<sup>12</sup> The Director of Standards may delegate its authority to perform certain responsibilities specified in this manual to another member of the NERC Reliability Standards staff.

<sup>13</sup> The detailed responsibilities of drafting teams are outlined in the Drafting Team Guidelines, which is posted on the Reliability Standards Resources web page.

- Solicits, considers, and responds to comments related to the specific Reliability Standards development project.
- Participates in industry forums to help build consensus on the draft Reliability Standards, definitions, Variances, and/or Interpretations and associated implementation plans.
- Assists in developing the documentation used to obtain governmental approval of the Reliability Standards, definitions, Variances, and/or Interpretations and associated implementation plans.

All drafting teams report to the Standards Committee.

### **3.7: Governmental Authorities**

FERC in the United States of America, and where permissible by statute or regulation, the federal or provincial governments of other North American jurisdictions that have recognized NERC as the ERO have the authority to approve each new, revised or withdrawn Reliability Standard, definition, Variance, VRF, VSL and Interpretation following adoption or approval by the NERC Board of Trustees.

### **3.8: Committees, Subcommittees, Working Groups, and Task Forces**

NERC's technical committees, subcommittees, working groups, and task forces provide technical research and analysis used to justify the development of new Reliability Standards and provide guidance, when requested by the Standards Committee, in overseeing field tests or collection and analysis of data. The technical committees, subcommittees, working groups, and task forces provide feedback to drafting teams during both informal and formal comment periods.

The Standards Committee may request that a NERC technical committee or other group prepare a technical document to support development of a proposed Reliability Standard.

The technical committees, subcommittees, working groups, and task forces share their observations regarding the need for new or modified Reliability Standards or Requirements with the NERC Reliability Standards Staff for use in identifying the need for new Reliability Standards projects for the three-year *Reliability Standards Development Plan*.

### **3.9: Compliance and Certification Committee**

The Compliance and Certification Committee is responsible for monitoring NERC's compliance with its Reliability Standards processes and procedures and for monitoring NERC's compliance with the Rules of Procedure regarding the development of new or revised Reliability Standards, definitions, Variances, and Interpretations. The Compliance and Certification Committee may assist in verifying that each proposed Reliability Standard is enforceable as written before the Reliability Standard is posted for formal stakeholder comment and balloting.

### **3.10: Compliance Monitoring and Enforcement Program**

As applicable, the NERC Compliance Monitoring and Enforcement Program Staff manages and enforces compliance with approved Reliability Standards. Compliance Monitoring and Enforcement Staff are responsible for the development of select compliance tools. The drafting team and the Compliance Monitoring and Enforcement Program Staff shall work together during the Reliability Standard development process to ensure an accurate and consistent understanding of the Requirements and their intent, and to ensure that applicable compliance tools accurately reflect that intent. The goal of this collaboration is to ensure that application of the Reliability Standards in the Compliance Monitoring and Enforcement Program by NERC and the Regional Entities is consistent.

The Compliance Monitoring and Enforcement Program is encouraged to share its observations regarding the need for new or modified Requirements with the NERC Reliability Standards Staff for use in identifying the need for new Reliability Standards projects.

### **3.11: North American Energy Standards Board (“NAESB”)**

While NERC has responsibility for developing Reliability Standards to support reliability, NAESB has responsibility for developing business practices and coordination between reliability and business practices as needed. NERC and NAESB developed and approved a procedure<sup>14</sup> to guide the development of Reliability Standards and business practices where the reliability and business practice components are intricately entwined within a proposed Reliability Standard.

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<sup>14</sup> The NERC NAESB Template Procedure for Joint Standards Development and Coordination is posted on the Reliability Standards Resources web page.

## Section 4.0: Process for Developing, Modifying, Withdrawing or Retiring a Reliability Standard

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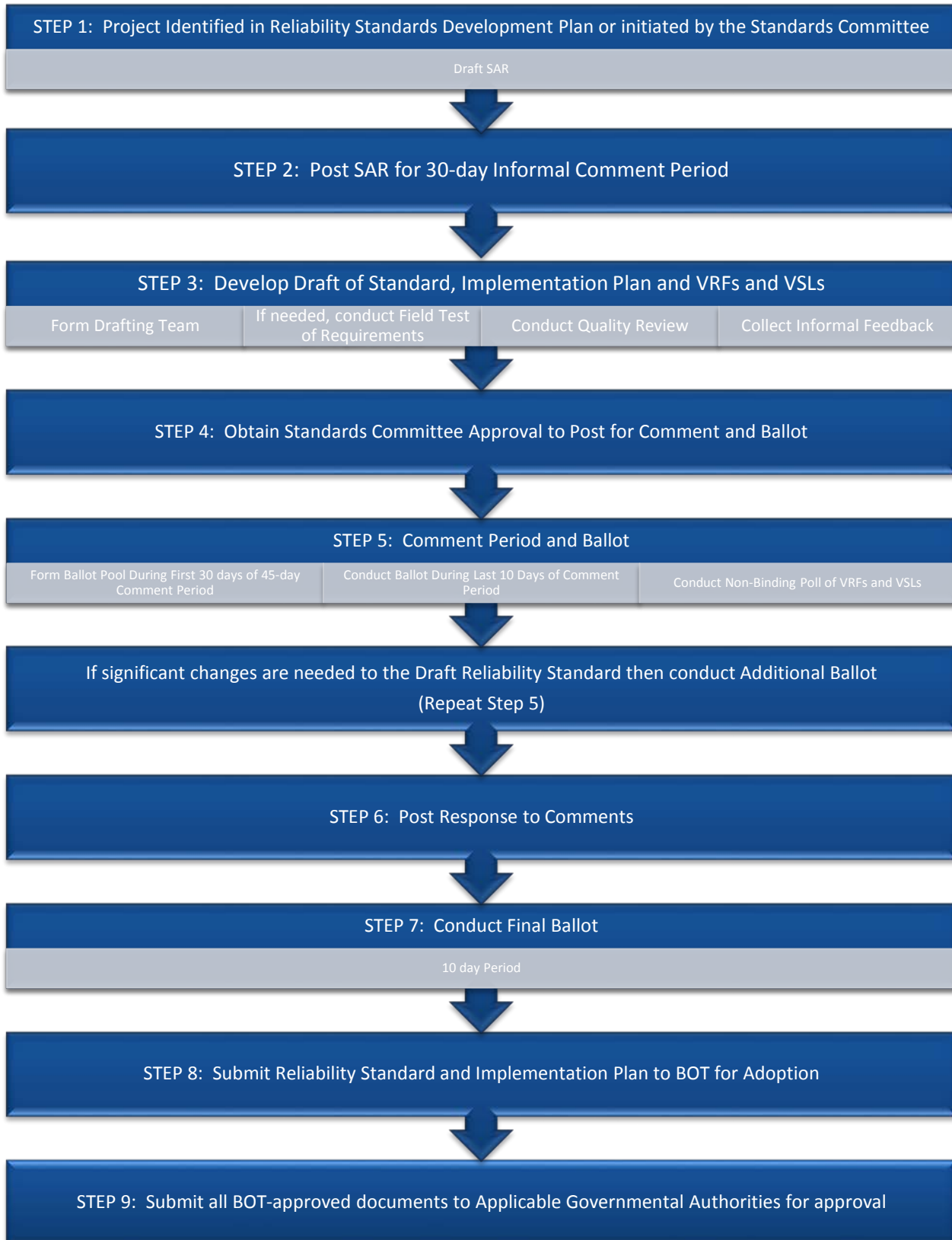
There are several steps to the development, modification, withdrawal or retirement of a Reliability Standard.<sup>15</sup>

The development of the *Reliability Standards Development Plan* is the appropriate forum for reaching agreement on whether there is a need for a Reliability Standard and the scope of a proposed Reliability Standard. A typical process for a project identified in the *Reliability Standards Development Plan* that involves a revision to an existing Reliability Standard is shown below. Note that most projects do not include a field test.

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<sup>15</sup> The process described is also applicable to projects used to propose a new or modified definition or Variance or to propose retirement of a definition or Variance.





**FIGURE 1: Process for Developing or Modifying a Reliability Standard**

## 4.1: Posting and Collecting Information on SARs

### Standard Authorization Request

A Standard Authorization Request (“SAR”) is the form used to document the scope and reliability benefit of a proposed project for one or more new or modified Reliability Standards or definitions or the benefit of retiring one or more approved Reliability Standards. Any entity or individual, including NERC committees or subgroups and NERC Staff, may propose the development of a new or modified Reliability Standard, or may propose the retirement of a Reliability Standard (in whole or in part), by submitting a completed SAR to the NERC Reliability Standards Staff.<sup>16</sup> The Standards Committee has the authority to approve the posting of all SARs for projects that propose (i) developing a new or modified Reliability Standard or definition or (ii) propose retirement of an existing Reliability Standard (or elements thereof).

The NERC Reliability Standards Staff sponsors an open solicitation period each year seeking ideas for new Reliability Standards projects (using *Reliability Standards Suggestions and Comments forms*). The open solicitation period is held in conjunction with the annual revision to the *Reliability Standards Development Plan*. While the Standards Committee prefers that ideas for new projects be submitted during this annual solicitation period through submittal of a *Reliability Standards Suggestions and Comments Form*,<sup>17</sup> a SAR proposing a specific project may be submitted to the NERC Reliability Standards Staff at any time.

Each SAR that proposes a “new” or substantially revised Reliability Standard or definition should be accompanied by a technical justification that includes, as a minimum, a discussion of the reliability-related benefits and costs of developing the new Reliability Standard or definition, and a technical foundation document (*e.g.*, research paper) to guide the development of the Reliability Standard or definition. The technical document should address the engineering, planning and operational basis for the proposed Reliability Standard or definition, as well as any alternative approaches considered during SAR development.

The NERC Reliability Standards Staff shall review each SAR and work with the submitter to verify that all required information has been provided. All properly completed SARs shall be submitted to the Standards Committee for action at the next regularly scheduled Standards Committee meeting.

When presented with a SAR, the Standards Committee shall determine if the SAR is sufficiently complete to guide Reliability Standard development and whether the SAR is consistent with this manual. The Standards Committee shall take one of the following actions:

- Accept the SAR.
- Remand the SAR back to the requestor or to NERC Reliability Standards Staff for additional work.
- Reject the SAR. The Standards Committee may reject a SAR for good cause. If the Standards Committee rejects a SAR, it shall provide a written explanation for rejection to the sponsor within ten days of the rejection decision.
- Delay action on the SAR pending one of the following: (i) development of a technical justification for the proposed project; or (ii) consultation with another NERC Committee to determine if there is another approach to addressing the issue raised in the SAR.

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<sup>16</sup> The SAR form is available on the Reliability Standards Resources web page.

<sup>17</sup> The *Reliability Standards Suggestions and Comments Form* can be downloaded from the Reliability Standards Resources web page.

If the Standards Committee is presented with a SAR that proposes developing a new Reliability Standard or definition but does not have a technical justification upon which the Reliability Standard or definition can be developed, the Standards Committee shall direct the NERC Reliability Standards Staff to post the SAR for a 30-day comment period solely to collect stakeholder feedback on the scope of technical foundation, if any, needed to support the proposed project. If a technical foundation is determined to be necessary, the Standards Committee shall solicit assistance from NERC's technical committees or other industry experts to provide that foundation before authorizing development of the associated Reliability Standard or definition.

During the SAR comment process, the drafting team may become aware of potential regional Variances related to the proposed Reliability 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 shall be made a part of the draft new or revised Reliability Standard.

If the Standards Committee accepts a SAR, the project shall be added to the list of approved projects. The Standards Committee shall assign a priority to the project, relative to all other projects under development, and those projects already identified in the *Reliability Standards Development Plan* that are already approved for development.

The Standards Committee shall work with the NERC Reliability Standards Staff to coordinate the posting of SARs for new projects, giving consideration to each project's priority.

## 4.2: SAR Posting

When the Standards Committee determines it is ready to initiate a new project, the Standards Committee shall direct NERC Staff to post the project's SAR in accordance with the following:

- For SARs that are limited to addressing regulatory directives, or revisions to Reliability Standards that have had some vetting in the industry, authorize posting the SAR for a 30-day informal comment period with no requirement to provide a formal response to the comments received.
- For SARs that address the development of new projects or Reliability Standards, authorize posting the SAR for a 30-day formal comment period.

If a SAR for a new Reliability Standard is posted for a formal comment period, the Standards Committee shall appoint a drafting team to work with the NERC Staff coordinator to give prompt consideration of the written views and objections of all participants. The Standards Committee may use a public nomination process to populate the Reliability Standard drafting team, or may use another method that results in a team that collectively has the necessary technical expertise and work process skills to meet the objectives of the project. In some situations, an *ad hoc* team may already be in place with the requisite expertise, competencies, and diversity of views that are necessary to refine the SAR and develop the Reliability Standard, and additional members may not be needed. The drafting team shall address all comments submitted during the public posting period. The drafting team may address the comments in the form of a summary response addressing each of the issues raised in comments. 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. If the drafting team concludes that there is not sufficient stakeholder support to continue to refine the SAR, the team may recommend that the Standards Committee direct curtailment of work on the SAR.

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. The Standards Committee shall notify the sponsor in writing of the rejection within 10 days.

If stakeholders indicate support for the project proposed with the SAR, the drafting team shall present its work to the Standards Committee with a request that the Standards Committee authorize development of the associated Reliability Standard.

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

- Authorize drafting the proposed Reliability Standard or revisions to a Reliability Standard.
- Reject the SAR with a written explanation to the sponsor and post that explanation.

### 4.3: Form Drafting Team

When the Standards Committee is ready to have a drafting team begin work on developing a new or revised Reliability Standard, the Standards Committee shall appoint a drafting team, if one was not already appointed to develop the SAR. If the Standards Committee appointed a drafting team to refine the SAR, the same drafting team shall work to develop the associated Reliability Standard.

If no drafting team is in place, then the Standards Committee may use a public nomination process to populate the Reliability Standard drafting team, or may use another method that results in a team that collectively has the necessary technical expertise, diversity of views, and work process skills to accomplish the objectives of the project on a timely basis. In some situations, an ad hoc team may already be in place with the requisite expertise, competencies, and diversity of views that are necessary to develop the Reliability Standard, and additional members may not be needed.

The NERC Reliability Standards Staff shall provide one or more members as needed to support the team with facilitation, project management, compliance, legal, regulatory and technical writing expertise and shall provide administrative support to the team, guiding the team through the steps in completing its project. In developing the Reliability Standard, the individuals provided by the NERC Reliability Standards Staff serve as advisors to the drafting team and do not have voting rights but share accountability along with the drafting team members assigned by the Standards Committee for timely delivery of a final draft Reliability Standard that meets the quality attributes identified in NERC's *Ten Benchmarks of an Excellent Reliability Standard*. The drafting team members assigned by the Standards Committee shall have final authority over the technical details of the Reliability Standard, while the technical writer shall provide assistance to the drafting team in assuring that the final draft of the Reliability Standard meets the quality attributes identified in NERC's *Ten Benchmarks of an Excellent Reliability Standard*.

Once it is appointed by the Standards Committee, the Reliability Standard drafting team is responsible for making recommendations to the Standards Committee regarding the remaining steps in the Reliability Standards process. Consistent with the need to provide for timely standards development, the Standards Committee may decide a project is so large that it should be subdivided and either assigned to more than one drafting team or assigned to a single drafting team with clear direction on completing the project in specified phases. The normally expected timeframes for standards development within the context of this manual are applicable to individual standards and not to projects containing multiple standards. Alternatively, a single drafting team may address the entire project with a commensurate increase in the expected duration of the development work. If a SAR is subdivided and assigned to more than one drafting team, each drafting team will have a clearly defined portion of the work such that there are no overlaps and no gaps in the work to be accomplished.

The Standards Committee may supplement the membership of a Reliability Standard drafting team or provide for additional advisors, as appropriate, to ensure the necessary competencies and diversity of views are maintained throughout the Reliability Standard development effort.

## 4.4: Develop Preliminary Draft of Reliability Standard, Implementation Plan, and VRFs and VSLs

### 4.4.1: Project Schedule

When a drafting team begins its work, either in refining a SAR or in developing or revising a proposed Reliability Standard, the drafting team shall develop a project schedule which shall be approved by the Standards Committee. The drafting team shall report progress to the Standards Committee, against the initial project schedule and any revised schedule as requested by the Standards Committee. Where project milestones cannot be completed on a timely basis, modifications to the project schedule must be presented to the Standards Committee for consideration along with proposed steps to minimize unplanned project delays.

### 4.4.2: Draft Reliability Standard

The team shall develop a Reliability Standard that is within the scope of the associated SAR that includes all required elements as described earlier in this manual and that meets the quality attributes identified in NERC's *Ten Benchmarks of an Excellent Reliability Standard*, with a goal of meeting the criteria for governmental approval.

The drafting team may, at its discretion, develop one or more supporting technical documents to help explain or facilitate understanding of the draft Reliability Standard, implementation plan, VSL, or VRF. These supporting technical documents may include, among other things: (1) reference documents designed to provide the drafting team's technical rationale, analysis, or explanatory information to support the understanding of the draft Reliability Standard or related element; or (2) white papers designed to explain a technical position or concept underlying the draft Reliability Standard or related element. Such documents may be posted during an informal comment period (Section 4.5) or formal comment period (Section 4.7).

### 4.4.3: Implementation Plan

As a drafting team drafts its proposed revisions to a Reliability Standard, that team is also required to develop an implementation plan to identify any factors for consideration when approving the proposed effective date or dates for the associated Reliability Standard or Standards. As a minimum, the implementation plan shall include the following:

- The proposed effective date (the date entities shall be compliant) for the Requirements.
- Identification of any new or modified definitions that are proposed for approval with the associated Reliability Standard.
- Whether there are any prerequisite actions that need to be accomplished before entities are held responsible for compliance with one or more of the Requirements.
- Whether approval of the proposed Reliability Standard will necessitate any conforming changes to any already approved Reliability Standards – and identification of those Reliability Standards and Requirements.
- The Functional Entities that will be required to comply with one or more Requirements in the proposed Reliability Standard.

A single implementation plan may be used for more than one Reliability Standard. The implementation plan is posted with the associated Reliability Standard or Standards during the 45-day formal comment period and is balloted with the associated Reliability Standard.

### 4.4.4: Violation Risk Factors and Violation Severity Levels

The drafting team shall work with NERC Staff in developing a set of VRFs and VSLs that meet the latest criteria established by NERC and Applicable Governmental Authorities. The drafting team shall document its justification for selecting each VRF and for setting each set of proposed VSLs by explaining how its proposed VRFs and VSLs meet

these criteria. NERC Staff is responsible for ensuring that the VRFs and VSLs proposed for stakeholder review meet these criteria.

Before the drafting team has finalized its Reliability Standard, implementation plan, and VRFs and VSLs, the team should seek stakeholder feedback on its preliminary draft documents.

#### **4.5: Informal Feedback<sup>18</sup>**

Drafting teams may use a variety of methods to collect informal stakeholder feedback on preliminary drafts of its documents, including the use of informal comment periods,<sup>19</sup> webinars, industry meetings, workshops, or other mechanisms. Information gathered from informal comment forms shall be publicly posted. While drafting teams are not required to provide a written response to each individual comment received, drafting teams are encouraged, where possible, to post a summary response that identifies how it used comments submitted by stakeholders. Drafting teams are encouraged, where possible, to reach out directly to individual stakeholders in order to facilitate resolution of identified stakeholder concerns. The intent is to gather stakeholder feedback on a “working document” before the document reaches the point where it is considered the “final draft.”

#### **4.6: Conduct Quality Review**

The NERC Reliability Standards Staff shall coordinate a quality review of the Reliability Standard, implementation plan, and VRFs and VSLs in parallel with the development of the Reliability Standard and implementation plan, to assess whether the documents are within the scope of the associated SAR, whether the Reliability Standard is clear and enforceable as written, and whether the Reliability Standard meets the criteria specified in NERC’s *Ten Benchmarks of an Excellent Reliability Standard* and criteria for governmental approval of Reliability Standards. The drafting team shall consider the results of the quality review, decide upon appropriate changes, and recommend to the Standards Committee whether the documents are ready for formal posting and balloting.

The Standards Committee shall authorize posting the proposed Reliability Standard, and implementation plan for a formal comment period and ballot and the VRFs and VSLs for a non-binding poll as soon as the work flow will accommodate.

If the Standards Committee finds that any of the documents do not meet the specified criteria, the Standards Committee shall remand the documents to the drafting team for additional work.

If the Reliability Standard is outside the scope of the associated SAR, the drafting team shall be directed to either revise the Reliability Standard so that it is within the approved scope, or submit a request to expand the scope of the approved SAR. If the Reliability Standard is not clear and enforceable as written, or if the Reliability Standard does not meet the specified criteria, the Reliability Standard shall be returned to the drafting team by the Standards Committee with specific identification of any Requirement that is deemed to be unclear or unenforceable as written.

#### **4.7: Conduct Formal Comment Period and Ballot**

Proposed new or modified Reliability Standards require a formal comment period where the new or modified Reliability Standard, implementation plan and associated VRFs and VSLs or the proposal to retire a Reliability Standard, implementation plan, and associated VRFs and VSLs are posted.

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<sup>18</sup> While this discussion focuses on collecting stakeholder feedback on proposed Reliability Standards and implementation plans, the same process is used to collect stakeholder feedback on proposed new or modified Interpretations, definitions and Variances.

<sup>19</sup> The term “informal comment period” refers to a comment period conducted outside of the ballot process and where there is no requirement for a drafting team to respond in writing to submitted comments.

The formal comment period shall be at least 45-days long. Formation of the ballot pool and Ballot of the Reliability Standard take place during this formal 45-day comment period. The intent of the formal comment period(s) is to solicit very specific feedback on the final draft of the Reliability Standard, implementation plan and VRFs and VSLs.

Comments in written form may be submitted on a draft Reliability Standard by any interested stakeholder, including NERC Staff, FERC Staff, and other interested governmental authorities. If stakeholders disagree with some aspect of the proposed set of products, comments provided should explain the reasons for such disagreement and, where possible, suggest specific language that would make the product acceptable to the stakeholder.

#### **4.8: Form Ballot Pool**

The NERC Reliability Standards Staff shall establish a ballot pool during the first 30 days of the 45-day formal comment period. The NERC Reliability Standards Staff shall post the proposed Reliability Standard, along with its implementation plan, VRFs and VSLs and shall send a notice to every entity in the Registered Ballot Body to provide notice that there is a new or revised Reliability Standard proposed for approval and to solicit participants for the associated ballot pool. All members of the Registered Ballot Body are eligible to join each ballot pool to vote on a new or revised Reliability Standard and its implementation plan and to participate in the non-binding poll of the associated VRFs and VSLs.

Any member of the Registered Ballot Body may join or withdraw from the ballot pool until the ballot window opens. No Registered Ballot Body member may join or withdraw from the ballot pool once the first ballot starts through the point in time where balloting for that Reliability Standard action has ended. The Director of Standards or its designee may authorize deviations from this rule for extraordinary circumstances such as the death, retirement, or disability of a ballot pool member that would prevent an entity that had a member in the ballot pool from eligibility to cast a vote during the ballot window. Any authorized deviation shall be documented and noted to the Standards Committee.

#### **4.9: Conduct Ballot and Non-binding Poll of VRFs and VSLs<sup>20</sup>**

The NERC Reliability Standards Staff shall announce the opening of the Ballot window and the non-binding poll of VRFs and VSLs. The Ballot window and non-binding poll of VRFs and VSLs shall take place during the last 10 days of the 45-day formal comment period and for the Final Ballot shall be no less than 10 days. If the last day of the ballot window falls on a Saturday or Sunday, the period does not end until the next business day.<sup>21</sup>

The ballot and non-binding poll shall be conducted electronically. The voting window shall be for a period of 10 days but shall be extended, if needed, until a quorum is achieved. During a ballot window, NERC shall not sponsor or facilitate public discussion of the Reliability Standard action under ballot.

There is no requirement to conduct a new non-binding poll of the revised VRFs and VSLs if no changes were made to the associated standard, however if the requirements are modified and conforming changes are made to the associated VRFs and VSLs, another non-binding poll of the revised VRFs and VSLs shall be conducted.

#### **4.10: Criteria for Ballot Pool Approval**

Ballot pool approval of a Reliability Standard requires:

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<sup>20</sup> While RSAWs are not part of the Reliability Standard, they are developed through collaboration of the SDT and NERC Compliance Staff. A non-binding poll, similar to what is done for VRFs and VSLs may be conducted for the RSAW developed through this process to gauge industry support for the companion RSAW to be provided for informational purposes to the NERC Board of Trustees.

<sup>21</sup> Closing dates may be extended as deemed appropriate by NERC Staff.

A quorum, which is established by at least 75% of the members of the ballot pool submitting a response; and

A two-thirds majority of the weighted Segment votes cast shall be affirmative. The number of votes cast is the sum of affirmative votes and negative votes with comments. This calculation of votes for the purpose of determining consensus excludes (i) abstentions, (ii) non-responses, and (iii) negative votes without comments.

The following process<sup>22</sup> is used to determine if there are sufficient affirmative votes.

- For each Segment with ten or more voters, the following process shall be used: The number of affirmative votes cast shall be divided by the sum of affirmative and negative votes with comments cast to determine the fractional affirmative vote for that Segment. Abstentions, non-responses, and negative votes without comments shall not be counted for the purposes of determining the fractional affirmative vote for a Segment.
- For each Segment with less than ten voters, the vote weight of that Segment shall be proportionally reduced. Each voter within that Segment voting affirmative or negative with comments shall receive a weight of 10% of the Segment vote.
- The sum of the fractional affirmative votes from all Segments divided by the number of Segments voting<sup>23</sup> shall be used to determine if a two-thirds majority has been achieved. (A Segment shall be considered as “voting” if any member of the Segment in the ballot pool casts either an affirmative vote or a negative vote with comments.)
- A Reliability Standard shall be approved if the sum of fractional affirmative votes from all Segments divided by the number of voting Segments is at least two thirds.

## 4.11: Voting Positions

Each member of the ballot pool may **only** vote one of the following positions on the Ballot and Additional Ballot(s):

- Affirmative;
- Affirmative, with comment;
- Negative with comments;
- Abstain.

Given that there is no formal comment period concurrent with the Final Ballot, each member of the ballot pool may **only** vote one of the following positions on the Final Ballot:

- Affirmative;
- Negative;<sup>24</sup>
- Abstain.

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<sup>22</sup> Examples of weighted segment voting calculation are posted on the Reliability Standards Resources web page.

<sup>23</sup> 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.

<sup>24</sup> The Final Ballot is used to confirm consensus achieved during the Formal Comment and Ballot stage. Ballot Pool members voting negative on the Final Ballot will be deemed to have expressed the reason for their negative ballot in their own comments or the comments of others during prior Formal Comment periods.



## 4.12: Consideration of Comments and Additional Ballots

A drafting team must respond in writing to every stakeholder written comment submitted in response to a ballot prior to conducting a Final Ballot. These responses may be provided in summary form, but all comments and objections must be responded to by the drafting team. All comments received and all responses shall be publicly posted.

If a stakeholder or balloter proposes a significant revision to a Reliability Standard during the formal comment period or concurrent Ballot that will improve the quality, clarity, or enforceability of that Reliability Standard, then the drafting team may choose to make such revisions and post the revised Reliability Standard for another 45-day public comment period and ballot. A drafting team is not required to respond in writing to comments to the previous ballot when it determines that significant changes are needed and an Additional Ballot will be conducted. Prior to posting the revised Reliability Standard for an additional comment period, the drafting team must communicate this decision to stakeholders. This communication is intended to inform stakeholders that the drafting team has identified that significant revisions to the Reliability Standard are necessary and should note that the drafting team is not required to respond in writing to comments from the previous ballot. The drafting team will respond to comments received in the last Additional Ballot prior to conducting a Final Ballot.

There are no limits to the number of public comment periods and ballots that can be conducted to result in a Reliability Standard or Interpretation that is clear and enforceable, and achieves a quorum and sufficient affirmative votes for approval. The Standards Committee has the authority to conclude this process for a particular Reliability Standards action if it becomes obvious that the drafting team cannot develop a Reliability Standard that is within the scope of the associated SAR, is sufficiently clear to be enforceable, and achieves the requisite weighted Segment approval percentage.

## 4.13: Conduct Final Ballot

When the drafting team has reached a point where it has made a good faith effort at resolving applicable objections and is not making any substantive changes from the previous ballot, the team shall conduct a “Final Ballot.” A non-substantive revision is a revision that does not change the scope, applicability, or intent of any Requirement and includes but is not limited to things such as correcting the numbering of a Requirement, correcting the spelling of a word, adding an obviously missing word, or rephrasing a Requirement for improved clarity. Where there is a question as to whether a proposed modification is “substantive,” the Standards Committee shall make the final determination.

In the Final Ballot, members of the ballot pool shall again be presented the proposed Reliability Standard along with the reasons for negative votes from the previous ballot, the responses of the drafting team to those concerns, and any resolution of the differences.

All members of the ballot pool shall be permitted to reconsider and change their vote from the prior ballot. Members of the ballot pool who did not respond to the prior ballot shall be permitted to vote in the Final Ballot. In the Final Ballot, votes shall be counted by exception only — members on the Final Ballot may indicate a revision to their original vote; otherwise their vote shall remain the same as in their prior ballot.

There is no formal comment period concurrent with the Final Ballot and no obligation for the drafting team to respond to any comments submitted during the Final Ballot.

## 4.14: Final Ballot Results

The NERC Reliability Standards Staff shall post the final outcome of the ballot process. If the Reliability Standard is rejected, the Standards Committee may decide whether to end all further work on the proposed standard, return the project to informal development, or continue holding ballots to attempt to reach consensus on the proposed standard. If the Reliability Standard is approved, the Reliability Standard shall be posted and presented to the Board

of Trustees by NERC management for adoption and subsequently filed with Applicable Governmental Authorities for approval.

#### **4.15: Board of Trustees Adoption of Reliability Standards, Implementation Plan and VRFs and VSLs**

If a Reliability Standard and its associated implementation plan are approved by its ballot pool, the Board of Trustees shall consider adoption of that Reliability Standard and its associated implementation plan and shall direct the standard to be filed with Applicable Governmental Authorities for approval. In making its decision, the Board shall consider the results of the balloting and unresolved dissenting opinions. The Board shall adopt or reject a Reliability Standard and its implementation plan, but shall not modify a proposed Reliability Standard. If the Board chooses not to adopt a Reliability Standard, it shall provide its reasons for not doing so.

The Board shall consider approval of the VRFs and VSLs associated with a Reliability Standard. In making its determination, the board shall consider the following:

- The Standards Committee shall present the results of the non-binding poll conducted and a summary of industry comments received on the final posting of the proposed VRFs and VSLs.
- NERC Staff shall present a set of recommended VRFs and VSLs that considers the views of the standard drafting team, stakeholder comments received on the draft VRFs and VSLs during the posting for comment process, the non-binding poll results, appropriate governmental agency rules and directives, and VRF and VSL assignments for other Reliability Standards to ensure consistency and relevance across the entire spectrum of Reliability Standards.

#### **4.16: Compliance**

For a Reliability Standard to be enforceable, it shall be approved by its ballot pool, adopted by the NERC Board of Trustees, and approved by Applicable Governmental Authorities, unless otherwise approved by the NERC Board of Trustees pursuant to the NERC Rules of Procedure (*e.g.*, Section 321) and approved by Applicable Governmental Authorities. Once a Reliability Standard is approved or otherwise made mandatory by Applicable Governmental Authorities, all persons and organizations subject to jurisdiction of the ERO will be required to comply with the Reliability Standard in accordance with applicable statutes, regulations, and agreements.

#### **4.17: Withdrawal of a Reliability Standard, Interpretation, or Definition**

The term “withdrawal” as used herein, refers to the discontinuation of a Reliability Standard, Interpretation, Variance or definition that has been approved by the Board of Trustees and (1) has not been filed with Applicable Governmental Authorities, or (2) has been filed with, but not yet approved by, Applicable Governmental Authorities. The Standards Committee may withdraw a Reliability Standard, Interpretation or definition for good cause upon approval by the Board of Trustees. Upon approval by the Board of Trustees, NERC Staff will petition the Applicable Governmental Authorities, as needed, to allow for withdrawal. The Board of Trustees also has an independent right of withdrawal that is unaffected by the terms and conditions of this Section.

#### **4.18: Retirement of a Reliability Standard, Interpretation, or Definition**

The term “retirement” refers to the discontinuation of a Reliability Standard, Interpretation or definition that has been approved by Applicable Governmental Authorities. A Reliability Standard, Variance or Definition may be retired when it is superseded by a revised version, and in such cases the retirement of the earlier version is to be noted in the implementation plan presented to the ballot pool for approval and the retirement shall be considered approved by the ballot pool upon ballot pool approval of the revised version.

Upon identification of a need to retire a Reliability Standard, Variance, Interpretation or definition, where the item will not be superseded by a new or revised version, a SAR containing the proposal to retire a Reliability Standard, Variance, Interpretation or definition will be posted for a comment period and ballot in the same manner as a Reliability Standard. The proposal shall include the rationale for the retirement and a statement regarding the impact of retirement on the reliability of the Bulk Power System. Upon approval by the Board of Trustees, NERC Staff will petition the Applicable Governmental Authorities to allow for retirement.

## Section 5.0: Process for Developing a Defined Term

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NERC maintains a glossary of approved terms, entitled the *Glossary of Terms Used in NERC Reliability Standards*<sup>25</sup> (“Glossary of Terms”). The Glossary of Terms includes terms that have been through the formal approval process and are used in one or more NERC Reliability Standards. Definitions shall not contain statements of performance Requirements. The Glossary of Terms is intended to provide consistency throughout the Reliability Standards.

There are several methods that can be used to add, modify or retire a defined term used in a continent-wide Reliability Standard.

- Anyone can use a Standard Authorization Request (“SAR”) to submit a request to add, modify, or retire a defined term.
- Anyone can submit a Standards Comments and Suggestions Form recommending the addition, modification, or retirement of a defined term. (The suggestion would be added to a project and incorporated into a SAR.)
- A drafting team may propose to add, modify, or retire a defined term in conjunction with the work it is already performing.

### 5.1: Proposals to Develop a New or Revised Definition

The following considerations should be made when considering proposals for new or revised definitions:

- Some NERC Regional Entities have defined terms that have been approved for use in Regional Reliability Standards, and where the drafting team agrees with a term already defined by a Regional Entity, the same definition should be adopted if needed to support a NERC Reliability Standard.
- If a term is used in a Reliability Standard according to its common meaning (as found in a collegiate dictionary), the term shall not be proposed for addition to the Glossary of Terms.
- If a term has already been defined, any proposal to modify or delete that term shall consider all uses of the definition in approved Reliability Standards, with a goal of determining whether the proposed modification is acceptable, and whether the proposed modification would change the scope or intent of any approved Reliability Standards.
- When practical, where NAESB has a definition for a term, the drafting team shall use the same definition to support a NERC Reliability Standard.

Any definition that is balloted separately from a proposed new or modified Reliability Standard or from a proposal for retirement of a Reliability Standard shall be accompanied by an implementation plan.

If a SAR is submitted to the NERC Reliability Standards Staff with a proposal for a new or revised definition, the Standards Committee shall consider the urgency of developing the new or revised definition and may direct NERC Staff to post the SAR immediately, or may defer posting the SAR until a later time based on its priority relative to other projects already underway or already approved for future development. If the SAR identifies a term that is used in a Reliability Standard already under revision by a drafting team, the Standards Committee may direct the drafting team to add the term to the scope of the existing project. Each time the Standards Committee accepts a SAR for a project that was not identified in the *Reliability Standards Development Plan*, the project shall be added to the list of approved projects.

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<sup>25</sup> The latest approved version of the Glossary of Terms is posted on the NERC website on the Standards web page.

## 5.2: Stakeholder Comments and Approvals

Any proposal for a new or revised definition shall be processed in the same manner as a Reliability Standard and quality review shall be conducted in parallel with this process. Once authorized by the Standards Committee, the proposed definition and its implementation plan shall be posted for at least one formal stakeholder comment period and shall be balloted in the same manner as a Reliability Standard. If a new or revised definition is proposed by a drafting team, that definition may be balloted separately from the associated Reliability Standard.

Each definition that is approved by its ballot pool shall be submitted to the NERC Board of Trustees for adoption and then filed with Applicable Governmental Authorities for approval in the same manner as a Reliability Standard.

## Section 6.0: Process for Conducting Field Tests

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While most drafting teams can develop Reliability Standards without the need to conduct any field tests and without the need to collect and analyze data, some Reliability Standard development efforts may benefit from field tests to analyze data and validate concepts in the development of Reliability Standards. Drafting teams are not required to collect and analyze data or to conduct a field test to validate a Reliability Standard.

A field test is initiated by either a SAR or Reliability Standard drafting team. The drafting team is responsible for developing the field test plan, including the implementation schedule, and identifying compliance-related issues, such as the potential need for compliance waivers. Participation in a field test is voluntary.

### 6.1: Field Tests and Data Analysis (collectively “field test”)

- Field tests to validate concepts supporting the development of Reliability Standards should be conducted before finalizing the SAR for a project.
- To conduct a field test of a technical concept in a proposed new or revised Reliability Standard, the SAR or standard drafting team shall work with NERC Staff to identify one of NERC’s technical committees to oversee the field test as well as other technical committees with relevant technical expertise.
- The drafting team shall perform the field test, in coordination with NERC Staff and under the supervision of the assigned technical committee, in accordance with an approved field test plan. The drafting team may be assisted by other individuals based on the required expertise needed to support the field test.
- The lead NERC technical committee shall identify potential field test participants.

#### 6.1.1: Field Test Approval

The request to conduct a field test shall include, at a minimum:

- the field test plan;
- the implementation schedule; and
- a schedule for providing periodic updates regarding field test results and analysis to the lead NERC technical committee.

Prior to the drafting team conducting a field test, the drafting team shall: (i) first receive approval from the lead NERC technical committee; and (ii) then receive approval from the Standards Committee.

The lead NERC technical committee shall base its approval on the technical adequacy of the field test request. Following approval, the lead NERC technical committee shall provide a recommendation to the Standards Committee for the disposition of the field test request.

The Standards Committee’s decision to approve the field test request shall be based on: (i) an affirmative recommendation from the lead NERC technical committee regarding the field test plan; and (ii) the Standards Committee’s approval of the implementation schedule and the periodic update schedule. If the Standards Committee rejects the field test request, the Standards Committee shall provide an explanation of the decision to the lead NERC technical committee.

#### 6.1.2: Compliance Waivers

Compliance waivers may be required for Registered Entities that would be rendered incapable of complying with the Requirement(s) of a currently-enforceable Reliability Standard due to their participation in the field test. The NERC Compliance Monitoring and Enforcement Program Staff shall determine whether to approve any such compliance

waivers and shall be responsible for approving any modifications or terminations to approved waivers that may become necessary in the course of conducting the field test. Staff shall notify the affected Registered Entities of all compliance waiver determinations.

### **6.1.3: Field Test Suspension for Reliability Concerns**

During the field test, if NERC or the lead NERC technical committee overseeing the field test determines that the field test is creating a reliability risk to the Bulk Power System, NERC or the lead NERC technical committee shall:

- stop the activity;
- inform the Standards Committee that the activity was stopped; and
- if NERC or the lead technical committee is of the opinion a modification to the field test is necessary, provide a technical justification to the drafting team.

The Standards Committee, with the assistance of NERC Staff, shall:

- document the cessation or modification of the field test; and
- notify NERC Compliance Monitoring and Enforcement Program Staff to coordinate any compliance-related issues such as continuing or terminating waivers, where applicable (see Section 6.1.2).

Prior to modifying the field test or restarting the field test after it has been stopped, the drafting team shall resubmit the field test request and receive approval as outlined in Section 6.1.1.

### **6.1.4: Continuing, Modifying, or Terminating a Field Test**

If the drafting team determines that a field test does not provide sufficient information to formulate a conclusion within the time allotted in the plan, it shall provide to the lead NERC technical committee and the chair of the Standards Committee a recommendation to continue, modify, or terminate the field test. The lead NERC technical committee shall either approve or reject a request to continue, modify, or terminate the field test and thereafter provide notice to the Standards Committee chair of its decision. The Standards Committee shall notify NERC Compliance Monitoring and Enforcement Program Staff to coordinate any compliance-related issues such as continuing or terminating waivers (see Section 6.1.2).

If the duration of the field test is extended beyond the period of standard development, NERC Staff shall post the preliminary report and results on the NERC web site prior to the final ballot of the Reliability Standard.

## **6.2: Communication and Coordination for All Types of Field Tests**

The approved field test plan and any modifications thereto, along with all field test reports and results, shall be publicly posted on the NERC web site. The participant list shall also be posted, unless posting this list would present confidentiality or other concerns.

## Section 7.0: Process for Developing an Interpretation

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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. A valid Interpretation response provides additional clarity about one or more Requirements, but does not expand on any Requirement and does not explain how to comply with any Requirement. Any entity that is directly and materially affected by the reliability of the North American Bulk Power Systems may request an Interpretation of any Requirement in any continent-wide Reliability Standard that has been adopted by the NERC Board of Trustees. Interpretations will only be provided for Board of Trustees-approved Reliability Standards *i.e.* (i) the current effective version of a Reliability Standard; or (ii) a version of a Reliability Standard with a future effective date.

### 7.1: Valid Interpretation Criteria

A valid Interpretation may only clarify or explain the meaning of the language of the Requirement(s) of an approved Reliability Standard, including, if applicable, any referenced attachment. A valid Interpretation may not alter the scope or language of a Requirement or referenced attachment. No other elements of an approved Reliability Standard are subject to an Interpretation.

### 7.2: Process for Requesting an Interpretation

The entity requesting an Interpretation shall submit a *Request for Interpretation* form<sup>26</sup> to NERC Staff explaining the clarification or explanation requested, the specific circumstances surrounding the request, and the impact of not having the Interpretation provided. NERC Staff shall review the request for Interpretation to determine whether it meets the criteria for a valid Interpretation. Based on this review, NERC Staff shall make a recommendation to the Standards Committee whether to accept the request for Interpretation and move forward in responding to the Interpretation request. NERC Staff shall periodically communicate to the Standards Committee the status of all Interpretation requests that are pending resolution.

#### 7.2.1: Rejection of an Interpretation Request

The Standards Committee may reject a request for Interpretation in the following circumstances:

- The request seeks approval of a particular compliance approach.<sup>27</sup>
- The issue can be addressed by incorporating the issue into an existing standard development project or a project contemplated in a published development plan.
- The request seeks clarification or explanation of any element of a Reliability Standard other than a Requirement or referenced attachment.
- The issue has already been addressed in the record.<sup>28</sup>
- The request identifies an issue and proposes the development of a new or modified Reliability Standard (such issues should be addressed via submission of a SAR).
- The request seeks to alter the scope of a Reliability Standard.
- The meaning of a Reliability Standard is clear and evident by inspection or the plain words that are written.

If the Standards Committee rejects the Interpretation request, it shall provide a written explanation for the rejection to the entity requesting the Interpretation within 10 business days of the decision to reject.

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<sup>26</sup> The *Request for Interpretation* form is posted on the NERC Standards web page.

<sup>27</sup> Requests that seek approval of specific compliance approaches, or examples of compliance, are not candidates for Interpretations and should be pursued through the applicable NERC Compliance Monitoring and Enforcement Program processes.

<sup>28</sup> The “record” is generally understood to refer to the record of development, regulatory approval record, or other materials developed to support the development or approval of a Reliability Standard.



### 7.2.2: Acceptance of an Interpretation Request

If the Standards Committee accepts the Interpretation request, it shall authorize NERC Staff to assemble an Interpretation drafting team for approval by the Standards Committee with the relevant expertise to address the request.

### 7.2.3: Development of an Interpretation

As soon as practical, the Interpretation drafting team shall develop a draft Interpretation, consistent with Section 7.1. Interpretations shall be developed in accordance with the following process:

- NERC Staff shall review the draft Interpretation to determine whether it meets the criteria for a valid Interpretation and shall provide to the Standards Committee a recommendation to authorize posting or remand to the Interpretation drafting team for further work.
- The Standards Committee, after reviewing the recommendation, shall determine whether to authorize posting of the draft Interpretation for comment and ballot.
- Interpretations shall be balloted in the same manner as Reliability Standards (*see* Section 4.0).

If the ballot results indicate that there is not a consensus for the Interpretation, and the Interpretation drafting team cannot revise the Interpretation without violating the basic criteria for what constitutes a valid Interpretation (*see* Section 7.1), the Interpretation drafting team shall notify the Standards Committee of its conclusion and may submit a SAR with the proposed modification to the Reliability Standard. The entity that requested the Interpretation shall be notified in writing and the disposition of the Interpretation shall be posted.

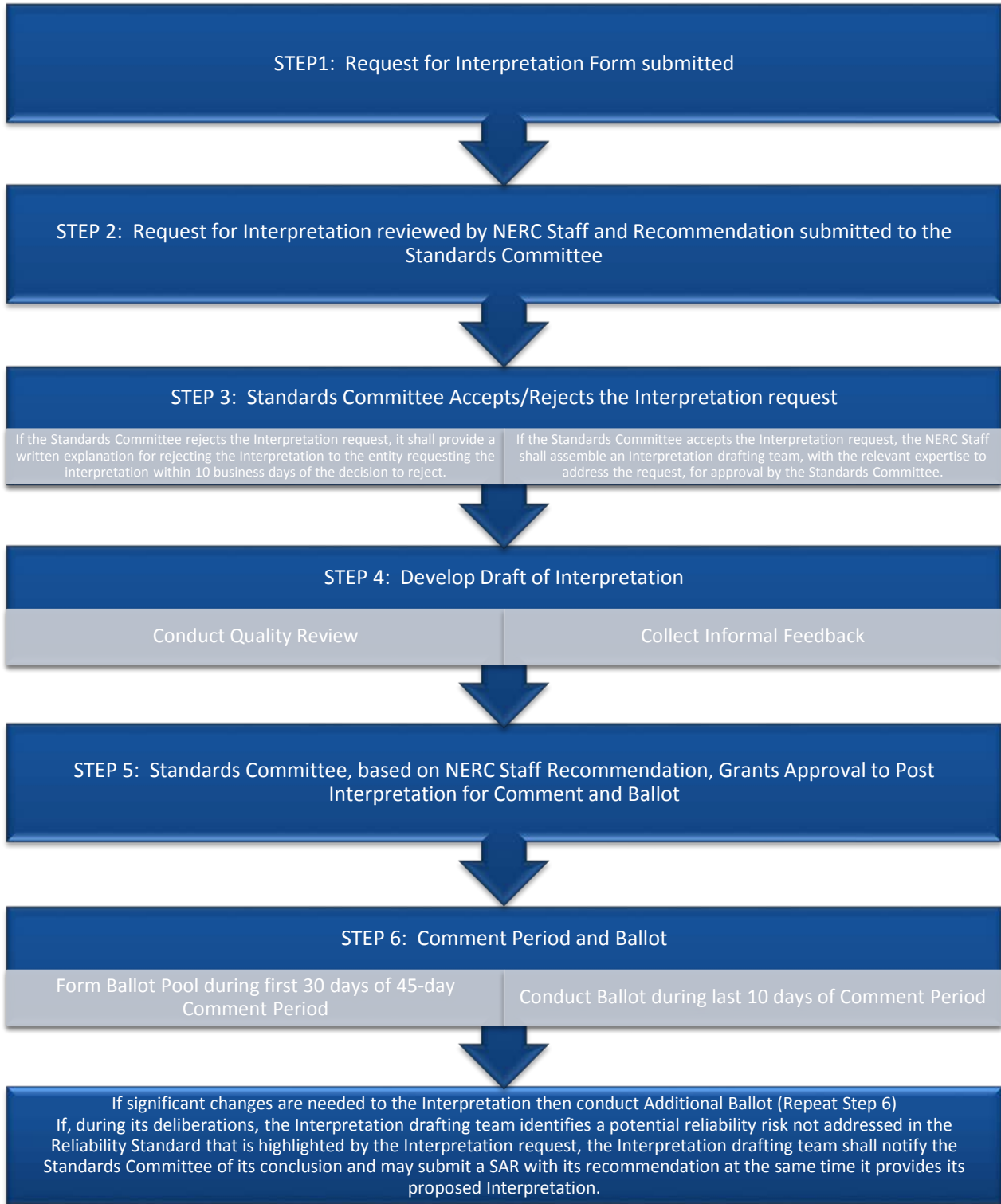
If, during its deliberations, the Interpretation drafting team identifies a potential reliability risk not addressed in the Reliability Standard that is highlighted by the Interpretation request, the Interpretation drafting team shall notify the Standards Committee of its conclusion and may submit a SAR with its recommendation at the same time it provides its proposed Interpretation.

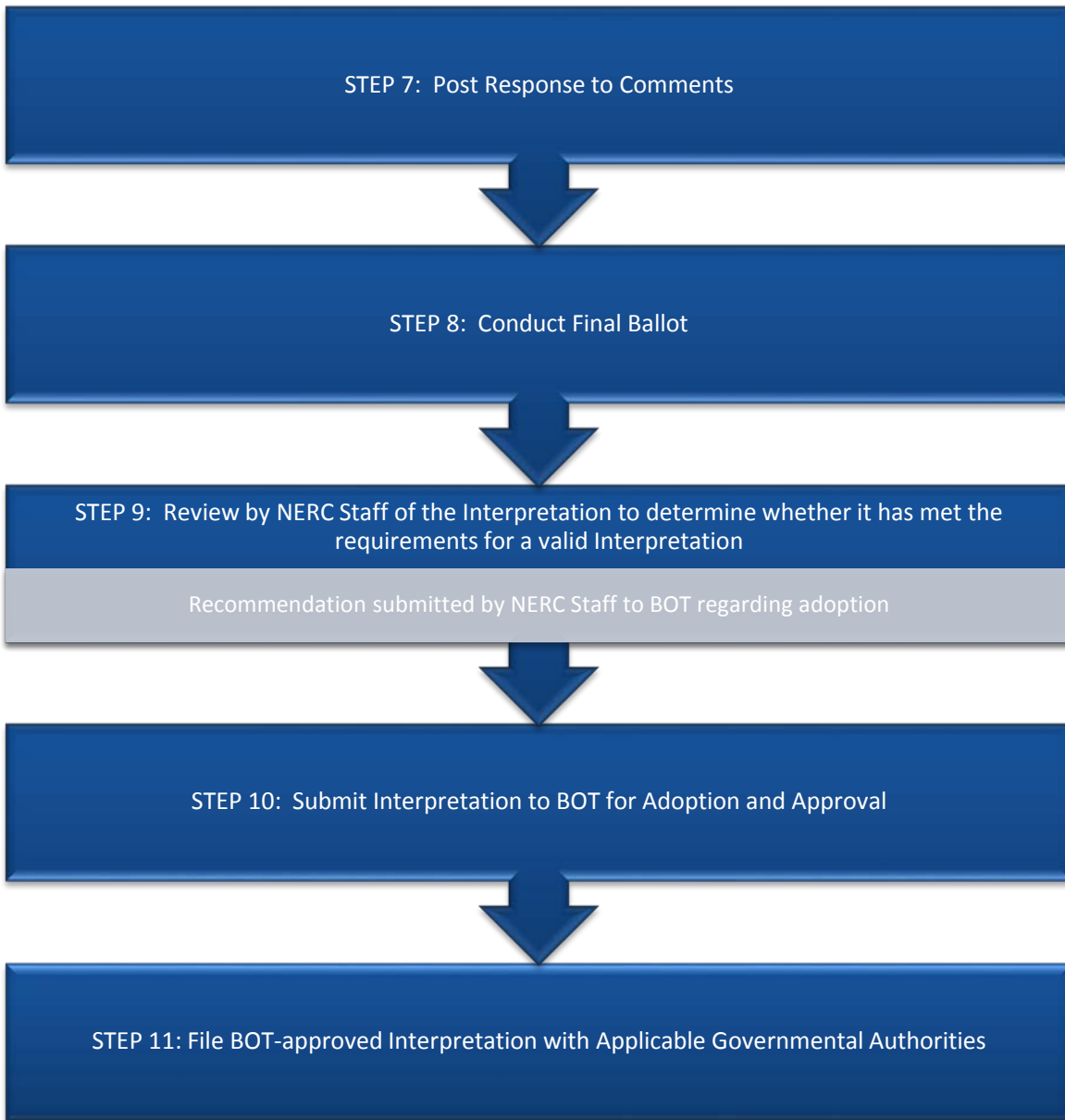
If the ballot pool approves the Interpretation, NERC Staff shall review it to determine whether it meets the criteria for a valid Interpretation and shall make a recommendation to the NERC Board of Trustees regarding adoption.

If an Interpretation drafting team recommends modifying a Reliability Standard based on its work in developing the Interpretation, the Board of Trustees shall be notified of this recommendation at the time the Interpretation is submitted for adoption. Following Board of Trustees adoption, the Interpretation shall be filed with the Applicable Governmental Authorities, and the Interpretation shall become effective when approved by those Applicable Governmental Authorities.<sup>29</sup> The Interpretation shall stand until it can be incorporated into a future revision of the Reliability Standard or is retired due to a future modification of the applicable Requirement.

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<sup>29</sup> NERC will maintain a record of all Interpretations associated with each standard on the Reliability Standards page of the NERC website.





**FIGURE 2: Process for Developing an Interpretation**

## Section 8.0: Process for Appealing an Action or Inaction

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Any entity that has directly and materially affected interests and that has been or will be adversely affected by any procedural action or inaction related to the development, approval, revision, reaffirmation, retirement or withdrawal of a Reliability Standard, definition, Variance, associated implementation plan, or Interpretation shall have the right to appeal. This appeals process applies only to the NERC Reliability Standards processes as defined in this manual, not to the technical content of the Reliability Standards action.

The burden of proof to show adverse effect shall be on the appellant. Appeals shall be made in writing 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. 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.

### 8.1: Level 1 Appeal

Level 1 is the required first step in the appeals process. The appellant shall submit (to the Director of Standards) a complaint in writing that describes the procedural action or inaction associated with the Reliability Standards process. The appellant shall describe in the complaint the actual or potential adverse impact to the appellant. Assisted by NERC Staff and industry resources as needed, the Director of Standards or its designee 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 shall be made a part of the public record associated with the Reliability Standard.

At any time prior to receiving the written response to the Level 1 Appeal, an appellant may withdraw the Level 1 Appeal with written notice to the Director of Standards.

### 8.2: 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 Director of Standards, the Director of Standards or its designee shall convene a Level 2 Appeals Panel. This panel shall consist of five members 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 NERC Reliability Standards Staff 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 entity that is directly and materially affected by the 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, definition, Variance or Interpretation or implementation plan as these responsibilities remain with the ballot pool and Board of Trustees respectively. The actions of the Level 2 Appeals Panel shall be publicly posted.

At any time prior to the meeting of the Level 2 Appeals Panel, an appellant may withdraw the Level 2 Appeal and accept the results of the Level 1 Appeal by providing written notice to the Director of Standards.

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, definition, Variance or Interpretation. The objection shall 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 shall be filed no later than 30 days after the announcement of the vote by the ballot pool on the Reliability Standard in question.

## Section 9.0: Process for Developing a Variance

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A Variance is an approved, alternative method of achieving the reliability intent of one or more Requirements in a Reliability Standard. No Regional Entity or Bulk Power System owner, operator, or user shall claim a Variance from a NERC Reliability Standard without approval of such a Variance through the relevant Reliability Standard approval procedure for the Variance. Each Variance from a NERC Reliability Standard that is approved by NERC and Applicable Governmental Authorities shall be made an enforceable part of the associated NERC Reliability Standard.

NERC's drafting teams shall aim to develop Reliability Standards with Requirements that apply on a continent-wide basis, minimizing the need for Variances while still achieving the Reliability Standard's reliability objectives. If one or more Requirements cannot be met or complied with as written because of a physical difference in the Bulk Power System or because of an operational difference (such as a conflict with a federally or provincially approved tariff), but the Requirement's reliability objective can be achieved in a different fashion, an entity or a group of entities may pursue a Variance from one or more Requirements in a continent-wide Reliability Standard. It is the responsibility of the entity that needs a Variance to identify that need and initiate the processing of that Variance through the submittal of a SAR<sup>30</sup> that includes a clear definition of the basis for the Variance.

There are two types of Variances – those that apply on an Interconnection-wide basis, and those that apply to one or more entities on less than an Interconnection-wide basis.

### 9.1: Interconnection-wide Variances

Any Variance from a NERC Reliability Standard Requirement that is proposed to apply to Registered Entities within a Regional Entity organized on an Interconnection-wide basis shall be considered an Interconnection-wide Variance and shall be developed through that Regional Entity's NERC-approved Regional Reliability Standards development procedure.

Where a Regional Entity is not organized on an Interconnection-wide basis, but a Variance is proposed to apply to Registered Entities within an Interconnection wholly contained in that Regional Entity's footprint, the Variance may be developed through that Regional Entity's NERC-approved Regional Reliability Standards development procedure.

While an Interconnection-wide Variance may be developed through the associated Regional Reliability Standards development process, Regional Entities are encouraged to work collaboratively with existing continent-wide drafting teams to reduce potential conflicts between the two efforts.

An Interconnection-wide 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 associated NERC Reliability Standard. NERC shall rebuttably presume that an Interconnection-wide Variance from a NERC Reliability Standard that is developed, in accordance with a Regional Reliability Standards development 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.

### 9.2: Variances that Apply on Less than an Interconnection-wide Basis

Any Variance from a NERC Reliability Standard Requirement that is proposed to apply to one or more entities but less than an entire Interconnection (*e.g.*, 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 considered a Variance. A Variance may be requested while a Reliability Standard is under development or a Variance may be requested at any time after

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<sup>30</sup> A sample of a SAR that identifies the need for a Variance and a sample Variance are posted as resources on the Reliability Standards Resources web page.

a Reliability Standard is approved. Each request for a Variance shall be initiated through a SAR, and processed and approved in the same manner as a continent-wide Reliability Standard, using the Reliability Standards development process defined in this manual.

## Section 10.0: Processes for Developing a Reliability Standard Related to a Confidential Issue

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While it is NERC’s intent to use its ANSI-accredited Reliability Standards development process for developing its Reliability Standards, NERC has an obligation as the ERO to ensure that there are Reliability Standards in place to preserve the reliability of the interconnected Bulk Power Systems throughout North America. When faced with a national security emergency situation, NERC may use one of the following special processes to develop a Reliability Standard that addresses an issue that is confidential. Reliability Standards developed using one of the following processes shall be called, “special Reliability Standards” and shall not be filed with ANSI for approval as American National Standards.

The NERC Board of Trustees may direct the development of a new or revised Reliability Standard to address a national security situation that involves confidential issues. These situations may involve imminent or long-term threats. In general, these Board directives will be driven by information from the President of the United States of America or the Prime Minister of Canada or a national security agency or national intelligence agency of either or both governments indicating (to the ERO) that there is a national security threat to the reliability of the Bulk Power System.<sup>31</sup>

There are two special processes for developing Reliability Standards responsive to confidential issues – one process where the confidential issue is “imminent,” and one process where the confidential issue is “not imminent.”

### 10.1: Process for Developing Reliability Standards Responsive to Imminent, Confidential Issues

If the NERC Board of Trustees directs the immediate development of a new or revised Reliability Standard to address a confidential national security emergency situation, the NERC Reliability Standards Staff shall develop a SAR, form a ballot pool (to vote on the Reliability Standard and its implementation plan) and assemble a slate of pre-defined subject matter experts as a proposed drafting team for approval by the Standards Committee’s officers. All members of the Registered Ballot Body shall have the opportunity to join the ballot pool.

### 10.2: Drafting Team Selection

The Reliability Standard drafting team selection process shall be limited to just those candidates who have already been identified as having the appropriate security clearance, the requisite technical expertise, and either have signed or are willing to sign a strict confidentiality agreement.

### 10.3: Work of Drafting Team

The Reliability Standard drafting team shall perform all its work under strict security and confidentiality rules. The Reliability Standard drafting team shall develop the new or revised Reliability Standard and its implementation plan.

The Reliability Standard drafting team shall review its work, to the extent practical, as it is being developed with officials from the appropriate governmental agencies in the U.S. and Canada, under strict security and confidentiality rules.

### 10.4: Formal Stakeholder Comment & Ballot Window

The draft Reliability Standard and its implementation plan shall be distributed for a formal comment period, under strict confidentiality rules, only to those entities that are listed in the NERC Compliance Registry to perform one of the functions identified in the applicability section of the Reliability Standard and have identified individuals from

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<sup>31</sup> The NERC Board may direct the immediate development and issuance of a Level 3 (Essential Action) alert and then may also direct the immediate development of a new or revised Reliability Standard.



their organizations that have signed confidentiality agreements with NERC.<sup>32</sup> At the same time, the Reliability Standard shall be distributed to the members of the ballot pool for review and ballot. The NERC Reliability Standards Staff shall not post or provide the ballot pool with any confidential background information.

The drafting team, working with the NERC Reliability Standards Staff, shall consider and respond to all comments, make any necessary conforming changes to the Reliability Standard and its implementation plan, and shall distribute the comments, responses and any revision to the same population as received the initial set of documents for formal comment and ballot.

### **10.5: Board of Trustee Actions**

Each Reliability Standard and implementation plan developed through this process shall be submitted to the NERC Board of Trustees for adoption.

### **10.6: Governmental Approvals**

All approved documents shall be filed for approval with Applicable Governmental Authorities.

### **10.7: Developing a Reliability Standard Responsive to an Imminent, Confidential Issue**

The following flowchart illustrates the process for developing a Reliability Standard responsive to an imminent, confidential issue:

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<sup>32</sup> In this phase of the process, only the proposed Reliability Standard shall be distributed to those entities expected to comply, not the rationale and justification for the Reliability Standard. Only the special drafting team members, who have the appropriate security credentials, shall have access to this rationale and justification.

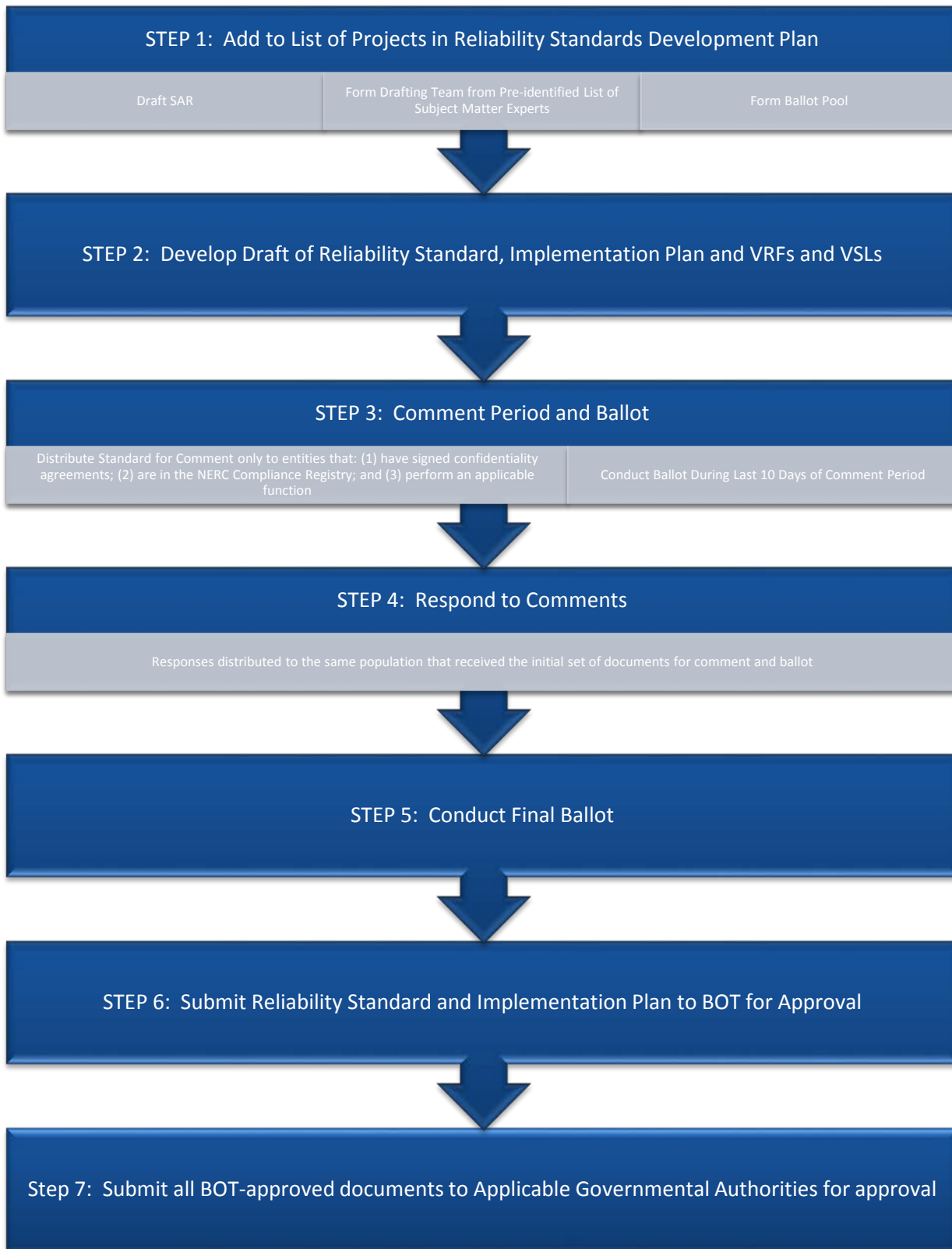


FIGURE 3: Process for Developing a Standard Responsive to an Imminent, Confidential Issue

## **10.8: Process for Developing Reliability Standards Responsive to Non-imminent, Confidential Issues**

If the NERC Board of Trustees directs the immediate development of a new or revised Reliability Standard to address a confidential national security emergency situation, the NERC Reliability Standards Staff shall develop a SAR, form a ballot pool (to vote on the Reliability Standard and its implementation plan) and assemble a slate of pre-defined subject matter experts as a proposed drafting team for approval by the Standards Committee's officers. All members of the Registered Ballot Body shall have the opportunity to join the ballot pool.

## **10.9: Drafting Team Selection**

The drafting team selection process shall be limited to just those candidates who have already been identified as having the appropriate security clearance, the requisite technical expertise, and either have signed or are willing to sign a strict confidentiality agreement.

## **10.10: Work of Drafting Team**

The drafting team shall perform all its work under strict security and confidentiality rules. The Reliability Standard drafting team shall develop the new or revised Reliability Standard and its implementation plan.

The drafting team shall review its work, to the extent practical, as it is being developed with officials from the Applicable Governmental Authorities, under strict security and confidentiality rules.

## **10.11: Formal Stakeholder Comment & Ballot Window**

The draft Reliability Standard and its implementation plan shall be distributed for a formal comment period, under strict confidentiality rules, only to those entities that are listed in the NERC Compliance Registry to perform one of the functions identified in the applicability section of the Reliability Standard and have identified individuals from their organizations that have signed confidentiality agreements with NERC.<sup>33</sup> At the same time, the Reliability Standard shall be distributed to the members of the ballot pool for review and ballot. The NERC Reliability Standards Staff shall not post or provide the ballot pool with any confidential background information.

## **10.12: Revisions to Reliability Standard, Implementation Plan and VRFs and VSLs**

The drafting team, working with the NERC Reliability Standards Staff, shall work to refine the Reliability Standard, implementation plan and VRFs and VSLs in the same manner as for a new Reliability Standard following the "normal" Reliability Standards development process described earlier in this manual with the exception that distribution of the comments, responses, and new drafts shall be limited to those entities that are in the ballot pool and those entities that are listed in the NERC Compliance Registry to perform one of the functions identified in the applicability section of the Reliability Standard and have identified individuals from their organizations that have signed confidentiality agreements with NERC.

## **10.13: Board of Trustee Action**

Each Reliability Standard, implementation plan, and the associated VRFs and VSLs developed through this process shall be submitted to the NERC Board of Trustees for adoption.

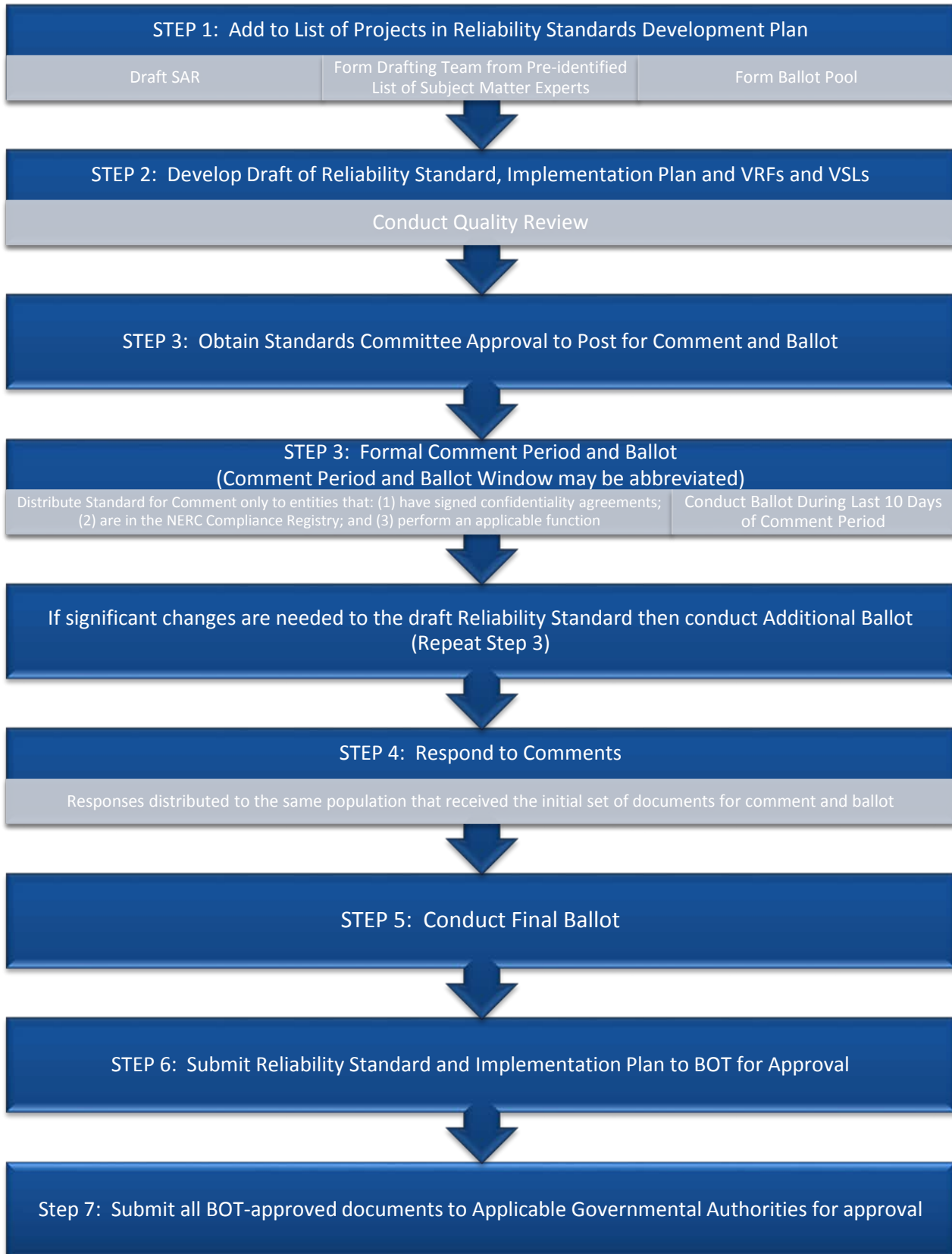
## **10.14: Governmental Approvals**

All BOT-approved documents shall be filed for approval with Applicable Governmental Authorities.

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<sup>33</sup> In this phase of the process, only the proposed Reliability Standard shall be distributed to those entities expected to comply, not the rationale and justification for the Reliability Standard. Only the special drafting team members, who have the appropriate security credentials, shall have access to this rationale and justification.

**Developing a Reliability Standard Responsive to a Non-imminent, Confidential Issue**



**FIGURE 4: Developing a Standard Responsive to a Non-Imminent, Confidential Issue**

## Section 11.0: Process for Posting Supporting Technical Documents Alongside an Approved Reliability Standard

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The NERC Standards Committee oversees the development and approval of technical documents identified as supporting documents to Reliability Standards approved by the Applicable Governmental Authority. Supporting technical documents may explain or facilitate understanding of Reliability Standards but do not themselves contain mandatory Requirements subject to compliance review. Any mandatory Requirements shall be incorporated into the Reliability Standard in the Reliability Standard development process. Documents that contain specific compliance approaches or examples are not considered supporting technical documents under this Section.

This Section provides the process by which any individual or entity may propose a supporting technical document to an approved Reliability Standard. The process outlined in this section is designed so each supporting document receives stakeholder review to verify the accuracy of the technical content prior to being posted as a supporting technical document to an approved Reliability Standard.

During the standard development process, standard drafting teams may develop and post supporting technical documents to the pertinent project page, in accordance with Section 4.0. Following approval of the Reliability Standard, those documents may be posted alongside the standard without requiring separate Standards Committee authorization under this Section.

### 11.1: Types of Supporting Technical Documents

The types of supporting technical documents that may be approved for posting alongside an approved Reliability Standard under this Section are listed below.

Type of Document	Description
Reference	Descriptive, technical information or analysis or explanatory information to support the understanding of an approved Reliability Standard.
Lessons Learned	Documents designed to convey lessons learned related to an approved Reliability Standard. A Lessons Learned document cannot establish new Requirements or modify Requirements in any existing Reliability Standard.
White Paper	An informal paper stating a position or concept. A white paper may have been used to propose preliminary concepts for a Reliability Standard or a Reference document.

### 11.2: Process for Proposing and Evaluating Supporting Technical Documents

Proposals for supporting technical documents to approved Reliability Standards shall be submitted to the NERC Reliability Standards Staff.

NERC Staff shall conduct a review of the proposed supporting technical document. In performing this review, NERC Staff may consult any technical resources it deems appropriate. The purpose of this review is to determine whether the proposed supporting technical document meets the following criteria:

1. the document is a type of supporting technical document subject to this Section, as described in Section 11.1;
2. the document is consistent with the purpose and intent of the associated Reliability Standard; and

3. the document has received adequate stakeholder review to assess its technical adequacy, such as through a NERC technical committee review process, public comment period(s) held during the development of the associated Reliability Standard, or other stakeholder review process.

If NERC Staff determines that the proposed supporting technical document meets all three criteria specified above, NERC Staff shall submit the proposed supporting technical document to the Standards Committee as specified in Section 11.3 below.

If NERC Staff determines that the proposed supporting technical document does not meet the first or second criterion specified above, NERC Staff shall notify the submitter, in writing, that the document will not be forwarded to the Standards Committee for consideration to be posted as a supporting technical document under this Section. This notification shall include an explanation of the basis for the decision. NERC Staff shall also notify the Standards Committee of its determination at the next regularly-scheduled Standards Committee meeting.

If NERC Staff determines that the proposed supporting technical document meets the first and second criteria, but has not yet received adequate stakeholder review under the third criterion, NERC Staff shall make a recommendation to the Standards Committee to authorize posting the proposed supporting technical document for stakeholder review to verify the accuracy of the technical content. This initial comment period shall be for 45 days, unless the Standards Committee directs otherwise. Upon conclusion of the comment period, NERC Staff shall compile the comments and provide them to the submitter for consideration. If the submitter modifies the proposed supporting technical document based on stakeholder comments, NERC Staff may post the document for additional comment periods to provide for sufficient technical review.

### **11.3: Approving a Supporting Technical Document**

After determining that the proposed supporting technical document meets the three criteria specified in Section 11.2, NERC Staff shall present the supporting technical document to the NERC Standards Committee with a recommendation regarding whether the Standards Committee should approve posting the supporting technical document with the approved Reliability Standard on the pertinent NERC website page(s).

## Section 12.0: Process for Correcting Errata

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From time to time, an error may be discovered in a Reliability Standard. Such errors may be corrected (i) following a Final Ballot prior to Board of Trustees adoption, (ii) following Board of Trustees adoption prior to filing with Applicable Governmental Authorities; and (iii) following filing with Applicable Governmental Authorities. If the Standards Committee agrees that the correction of the error does not change the scope or intent of the associated Reliability Standard, and agrees that the correction has no material impact on the end users of the Reliability Standard, then the correction shall be filed for approval with Applicable Governmental Authorities as appropriate. The NERC Board of Trustees has resolved to concurrently approve any errata approved by the Standards Committee.

## Section 13.0: Process for Conducting Periodic Reviews of Reliability Standards

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All Reliability Standards shall be reviewed at least once every ten years from the effective date of the Reliability Standard or the date of the latest Board of Trustees adoption to a revision of the Reliability Standard, whichever is later. If a Reliability Standard is approved by ANSI as an American National Standard, it shall be reviewed at least once every five years from the effective date of the Reliability Standard or the date of the latest Board of Trustees adoption to a revision of the Reliability Standard, whichever is later.

The *Reliability Standards Development Plan* shall include projects that address this five or ten-year review of Reliability Standards.

- If a Reliability Standard is nearing its five or ten-year review and has issues that need resolution, then the *Reliability Standards Development Plan* shall include a project for the complete review and associated revision of that Reliability Standard that includes addressing all outstanding governmental directives, all approved Interpretations, and all unresolved issues identified by stakeholders.
- If a Reliability Standard is nearing its five or ten-year review and there are no outstanding governmental directives, Interpretations, or unresolved stakeholder issues associated with that Reliability Standard, then the *Reliability Standards Development Plan* shall include a project solely for the periodic review of that Reliability Standard.

For a project that is focused solely on the periodic review, the Standards Committee shall appoint a review team of subject matter experts to review the Reliability Standard and recommend whether the Reliability Standard should be reaffirmed, revised, or withdrawn. Each review team shall post its recommendations for a 45-day formal stakeholder comment period and shall provide those stakeholder comments to the Standards Committee for consideration.

- If a review team recommends reaffirming a Reliability Standard, the Standards Committee shall submit the reaffirmation to the Board of Trustees for adoption and then to Applicable Governmental Authorities for approval. Reaffirmation does not require approval by stakeholder ballot.
- If a review team recommends modifying, or retiring a Reliability Standard, the team shall develop a SAR with such a proposal and the SAR shall be submitted to the Standards Committee for prioritization as a new project. Each existing Reliability Standard recommended for modification, or retirement shall remain in effect in accordance with the associated implementation plan until the action to modify or withdraw the Reliability Standard is approved by its ballot pool, adopted by the Board of Trustees, and approved by Applicable Governmental Authorities.

In the case of reaffirmation of a Reliability Standard, the Reliability Standard shall remain in effect until the next five or ten-year review or until the Reliability Standard is otherwise modified or withdrawn by a separate action.



## **Section 14.0: Public Access to Reliability Standards Information**

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### **14.1: Online Reliability Standards Information System**

The NERC Reliability Standards Staff shall maintain an electronic copy of information regarding currently proposed and currently in effect Reliability Standards. This information shall include current Reliability Standards in effect, proposed revisions to Reliability Standards, and proposed new Reliability 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.

### **14.2: Archived Reliability Standards Information**

The NERC Staff shall maintain a historical record of Reliability Standards information that is no longer maintained online. 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 Reliability Standard was no longer in effect. Archived records of Reliability Standards information shall be available electronically within 30 days following the receipt by the NERC Reliability Standards Staff of a written request.

## Section 15.0: Process for Updating Standard Processes

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### 15.1: Requests to Revise the Standard Processes Manual

Any person or entity may submit a request to modify one or more of the processes contained within this manual. The Standards Committee shall oversee the handling of each request. The Standards Committee shall prioritize all requests, merge related requests, and respond to each sponsor within 30 days.

The Standards Committee shall post the proposed revisions for a 45-day formal comment period. Based on the degree of consensus for the revisions, the Standards Committee shall:

- Submit the revised process or processes for ballot pool approval;
- Repeat the posting for additional inputs after making changes based on comments received;
- Remand the proposal to the sponsor for further work; or
- 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 Reliability Standard, including the use of an Additional 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 submit to the Board a description of the basis for the changes, a summary of the comments received, and any minority views expressed in the comment and ballot process. The proposed revisions shall not be effective until approved by the NERC Board of Trustees and Applicable Governmental Authorities.

## Section 16.0: Waiver

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While it is NERC's intent to use its ANSI-accredited Reliability Standards development process for developing its Reliability Standards, NERC may need to develop a new or modified Reliability Standard, definition, Variance, Interpretation, or implementation plan under specific time constraints (such as to meet a time constrained regulatory directive) or to meet an urgent reliability issue such that there isn't sufficient time to follow all the steps in the normal Reliability Standards development process.

The Standards Committee may waive any of the provisions contained in this manual for good cause shown, but limited to the following circumstances:

- In response to a national emergency declared by the United States or Canadian government that involves the reliability of the Bulk Electric System or cyber attack on the Bulk Electric System;
- Where necessary to meet regulatory deadlines;
- Where necessary to meet deadlines imposed by the NERC Board of Trustees; or
- Where the Standards Committee determines that a modification to a proposed Reliability Standard or its Requirement(s), a modification to a defined term, a modification to an Interpretation, or a modification to a Variance has already been vetted by the industry through the standards development process or is so insubstantial that developing the modification through the processes contained in this manual will add significant time delay.

In no circumstances shall this provision be used to modify the requirements for achieving quorum or the voting requirements for approval of a standard.

A waiver request may be submitted to the Standards Committee by any entity or individual, including NERC committees or subgroups and NERC Staff. Prior to consideration of any waiver request, the Standards Committee must provide five business days' notice to stakeholders.

Action on the waiver request will be included in the minutes of the Standards Committee. Actions taken pursuant to an approved waiver request will be posted on the Standard Project page and included in the next project announcement.

In addition, the Standards Committee shall report the exercise of this waiver provision to the Board of Trustees prior to adoption of the related Reliability Standard, Interpretation, definition or Variance.

Reliability Standards developed as a result of a waiver of any provision of the Standard Processes Manual shall not be filed with ANSI for approval as American National Standards.

**Exhibit A**

**Proposed Revisions to Appendix 3A to the NERC Rules of Procedure,**

**Standard Processes Manual**

**Redline**

**NERC**

NORTH AMERICAN ELECTRIC  
RELIABILITY CORPORATION

# Standard Processes Manual

VERSION ~~33~~34

Effective ~~June 26, 2013~~TBD

**RELIABILITY | ACCOUNTABILITY**



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# Section 1.0: Introduction

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## 1.1: Authority

This manual is published by the authority of the North American Electric Reliability Corporation (“NERC”) Board of Trustees ~~and has been incorporated into the NERC Rules of Procedure as Appendix 3A. It. The Board of Trustees, as necessary to maintain NERC’s certification as the Electric Reliability Organization (“ERO”), may file the manual with Applicable Governmental Authorities for approval as an ERO document. When approved, the manual is appended to~~ and provides implementation detail in support of the ~~ERO-NERC~~ Rules of Procedure Section 300 — Reliability Standards Development.

Capitalized terms not otherwise defined herein, shall have the meaning set forth in the Definitions Used in the Rules of Procedure, Appendix 2 to the Rules of Procedure. Unless otherwise specified, any period of time that is counted in days shall refer to calendar days.

## 1.2: Scope

The policies and procedures in this manual shall govern the activities of ~~the North American Electric Reliability Corporation (“NERC”)~~ related to the development, approval, revision, reaffirmation, and withdrawal of Reliability Standards, Interpretations, Violation Risk Factors (“VRFs”), Violation Severity Levels (“VSLs”), definitions, Variances, and reference documents developed to support standards for the Reliable Operation and planning of the North American Bulk Power Systems.

This manual also addresses the role of the Standards Committee, drafting teams, and the ballot body in the development and approval of Compliance Elements in conjunction with standard development.

## 1.3: Background

NERC is a nonprofit corporation formed for the purpose of becoming the North American ERO. NERC works with all stakeholder segments of the electric industry, including electricity users, to develop Reliability Standards for the reliability planning and Reliable Operation of the North American Bulk Power Systems. 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 Reliability Standards mandatory for all Bulk Power System owners, operators, and users. Similar authorities are provided by Applicable Governmental Authorities in Canada. The United States Federal Energy Regulatory Commission (“FERC”) certified NERC ~~was certified~~ as the ERO effective July 2006. *North American Electric Reliability Corp.*, 116 FERC ¶ 61,062, *order on reh’g and compliance*, 117 FERC ¶ 61,126 (2006), *order on compliance*, 118 FERC ¶ 61,030 (2007).

## 1.4: Essential Attributes of NERC’s Reliability Standards Processes

NERC’s Reliability Standards development processes provide reasonable notice and opportunity for public comment, due process, openness, and balance of interests in developing a proposed Reliability Standard consistent with the attributes necessary for American National Standards Institute (“ANSI”) accreditation. The same attributes, as well as transparency, consensus-building, and timeliness, are also required under the ERO Rules of Procedure Section 304.

- **Open Participation**

Participation in NERC’s Reliability Standards development balloting and approval processes shall be open to all entities materially affected by NERC’s Reliability Standards. There shall be no financial barriers to participation in NERC’s Reliability Standards balloting and approval processes. Membership in the Registered Ballot Body shall not be conditional upon membership in any organization, nor unreasonably restricted on the basis of technical qualifications or other such requirements.

- **Balance**

NERC's Reliability Standards development processes shall not be dominated by any two interest categories, individuals, or organizations and no single interest category, individual, or organization is able to defeat a matter.

NERC shall use a voting formula that allocates each industry Segment an equal weight in determining the final outcome of any Reliability Standard action. The Reliability Standards development processes shall have a balance of interests. Participants from diverse interest categories shall be encouraged to join the Registered Ballot Body and participate in the balloting process, with a goal of achieving balance between the interest categories. The Registered Ballot Body serves as the consensus body voting to approve each new or proposed Reliability Standard, definition, Variance, and Interpretation.

- **Coordination and harmonization with other American National Standards activities**

NERC is committed to resolving any potential conflicts between its Reliability Standards development efforts and existing American National Standards and candidate American National Standards.

- **Notification of standards development**

NERC shall publicly distribute a notice to each member of the Registered Ballot Body, and to each stakeholder who indicates a desire to receive such notices, for each action to create, revise, reaffirm, or withdraw a Reliability Standard, definition, or Variance; and for each proposed Interpretation. Notices shall be distributed electronically, with links to the relevant information, and notices shall be posted on NERC's Reliability Standards web page. All notices shall identify a readily available source for further information.

- **Transparency**

The process shall be transparent to the public.

- **Consideration of views and objections**

Drafting teams shall give prompt consideration to the written views and objections of all participants as set forth herein. Drafting teams shall make an effort to resolve each objection that is related to the topic under review.

- **Consensus Building**

The process shall build and document consensus for each Reliability Standard, both with regard to the need and justification for the Reliability Standard and the content of the Reliability Standard.

- **Consensus vote**

NERC shall use its voting process to determine if there is sufficient consensus to approve a proposed Reliability Standard, definition, Variance, or Interpretation. NERC shall form a ballot pool for each Reliability Standard action from interested members of its Registered Ballot Body. Approval of any Reliability Standard action requires:

- A quorum, which is established by at least 75% of the members of the ballot pool submitting a response excluding unreturned ballots; and
- A two-thirds majority of the weighted Segment votes cast shall be affirmative. The number of votes cast during all stages of balloting except the final ballot is the sum of affirmative and negative votes with comments, excluding abstentions, non-responses, and negative votes without comments. During the final ballot, the number of votes cast is the sum of affirmative and negative votes, excluding abstentions and non-responses.



- **Timeliness**

Development of Reliability Standards shall be timely and responsive to new and changing priorities for reliability of the Bulk Power System.

- **Metric Policy**

The International System of units is the preferred units of measurement in NERC Reliability Standards. However, because NERC's Reliability Standards apply in Canada, the United States and portions of Mexico, where applicable, measures are provided in both the metric and English units.

## 1.5: Ethical Participation

All participants in the NERC Standard development process, including drafting teams, quality reviewers, Standards Committee members and members of the Registered Ballot Body, are obligated to act in an ethical manner in the exercise of all activities conducted pursuant to the terms and conditions of the Standard Processes Manual and the standard development process.

## Section 2.0: Elements of a Reliability Standard

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### 2.1: Definition of a Reliability Standard

A Reliability Standard includes a set of Requirements that define specific obligations of owners, operators, and users of the North American Bulk Power Systems. The Requirements shall be material to reliability and measurable. A Reliability Standard is defined as follows:

“Reliability Standard” means a requirement, approved by the United States Federal Energy Regulatory Commission under Section 215 of the Federal Power Act, or approved or recognized by an applicable governmental authority in other jurisdictions, to provide for Reliable Operation of the Bulk Power System, ~~including without limiting the foregoing,~~ The term includes requirements for the operation of existing Bulk Power System ~~Facilities~~facilities, including cyber-security protection, and ~~including~~ the design of planned additions or modifications to such ~~Facilities~~facilities to the extent necessary for Reliable Operation of the Bulk Power System, but the term does not include any requirement to enlarge ~~Bulk Power Systems~~such Facilities-facilities or to construct new transmission capacity or generation capacity. (In certain contexts, this term may also refer to a “Reliability Standard” that is in the process of being developed, or not yet approved or recognized by FERC or an applicable governmental authority in other jurisdictions).<sup>1</sup> ~~A Reliability Standard shall not be effective in the United States until approved by the Federal Energy Regulatory Commission and shall not be effective in other jurisdictions until made or allowed to become effective by the Applicable Governmental Authority. See Appendix 2 to the NERC Rules of Procedure, Definitions Used in the Rules of Procedure.~~

### 2.2: Reliability Principles

NERC Reliability Standards are based on certain reliability principles that define the foundation of reliability for North American Bulk Power Systems.<sup>2</sup> Each Reliability Standard shall enable or support one or more of the reliability principles, thereby ensuring that each Reliability 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 Reliability Standard undermines reliability through an unintended consequence.

### 2.3: Market 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.<sup>3</sup> 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.

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<sup>1</sup> See Appendix 2 to the NERC Rules of Procedure, Definitions Used in the Rules of Procedure.

<sup>2</sup> The intent of the set of NERC Reliability Standards is to deliver an adequate level of reliability. The latest set of reliability principles and the latest set of characteristics associated with an adequate level of reliability are posted on the Reliability Standards Resources web page.

<sup>3</sup> The latest set of market interface principles is posted on the Reliability Standards Resources web page.

## 2.4: Types of Reliability Requirements

Generally, each Requirement of a Reliability Standard shall identify what Functional Entities shall do, and under what conditions, to achieve a specific reliability objective. Although Reliability Standards all follow this format, several types of Requirements may exist, each with a different approach to measurement.

- **Performance-based Requirements** define a specific reliability objective or outcome achieved by one or more entities that has a direct, observable effect on the reliability of the Bulk Power System, i.e. an effect that can be measured using power system data or trends. In its simplest form, a performance-based requirement has four components: who, under what conditions (if any), shall perform what action, to achieve what particular result or outcome.
- **Risk-based Requirements** define actions by one or more entities that reduce a stated risk to the reliability of the Bulk Power System and can be measured by evaluating a particular product or outcome resulting from the required actions. A risk-based reliability requirement should be framed as: who, under what conditions (if any), shall perform what action, to achieve what particular result or outcome that reduces a stated risk to the reliability of the Bulk Power System.
- **Capability-based Requirements** define capabilities needed by one or more entities to perform reliability functions and can be measured by demonstrating that the capability exists as required. A capability-based reliability requirement should be framed as: *who, under what conditions (if any), shall have what capability, to achieve what particular result or outcome to perform an action to achieve a result or outcome or to reduce a risk to the reliability of the Bulk Power System.*

The body of reliability Requirements collectively provides a defense-in-depth strategy supporting reliability of the Bulk Power System.

## 2.5: Elements of a Reliability Standard

A Reliability Standard includes several components designed to work collectively to identify what entities must do to meet their reliability-related obligations as an owner, operator or user of the Bulk Power System.

The components of a Reliability Standard may include the following:

**Title:** A brief, descriptive phrase identifying the topic of the Reliability Standard.

**Number:** A unique identification number assigned in accordance with a published classification system to facilitate tracking and reference to the Reliability Standards.<sup>4</sup>

**Purpose:** The reliability outcome achieved through compliance with the Requirements of the Reliability Standard.

**Applicability:** Identifies ~~which entities are assigned reliability requirements.~~ The specific Functional Entities and Facilities to which the Reliability Standard applies.

**Effective Dates:** Identification of the date or pre-conditions determining when each Requirement becomes effective in each jurisdiction.

**Requirement:** An explicit statement that identifies the Functional Entity responsible, the action or outcome that must be achieved, any conditions achieving the action or outcome, and the reliability-related benefit of the action or outcome. Each Requirement shall be a statement for which compliance is mandatory.

<sup>4</sup> Reliability Standards shall be numbered in accordance with the NERC Standards Numbering Convention as provided on the Reliability Standards Resources web page.

**Compliance Elements:** Elements to aid in the administration of ERO compliance monitoring and enforcement responsibilities.<sup>5</sup>

- **Measure:** Provides identification of the evidence or types of evidence that may demonstrate compliance with the associated requirement.
- **Violation Risk Factors and Violation Severity Levels:** Violation risk factors (VRFs) and violation severity levels (VSLs) are used as factors when determining the size of a penalty or sanction associated with the violation of a requirement in an approved ~~reliability Reliability standard Standard~~.<sup>6</sup> Each requirement in each ~~reliability Reliability standard Standard~~ has an associated VRF and a set of VSLs. VRFs and VSLs are developed by the drafting team, working with NERC Staff, at the same time as the associated ~~reliability Reliability standard Standard~~, but are not part of the ~~reliability Reliability standard Standard~~. The Board of Trustees is responsible for approving VRFs and VSLs.
  - **Violation Risk Factors**

VRFs identify the potential reliability significance of noncompliance with each requirement. Each requirement is assigned a VRF in accordance with the latest approved set of VRF criteria.<sup>7</sup>
  - **Violation Severity Levels**

VSLs define the degree to which compliance with a requirement was not achieved. Each requirement shall have at least one VSL. While it is preferable to have four VSLs for each requirement, some requirements do not have multiple “degrees” of noncompliant performance and may have only one, two, or three VSLs. Each requirement is assigned one or more VSLs in accordance with the latest approved set of VSL criteria.<sup>8</sup>

**Version History:** The version history is provided for informational purposes and lists information regarding prior versions of Reliability Standards.

**Variance:** A Requirement (to be applied in the place of the continent-wide Requirement) that is applicable to a specific geographic area or to a specific set of Registered Entities.

**Compliance Enforcement Authority:** The entity that is responsible for assessing performance or outcomes to determine if an entity is compliant with the associated Reliability Standard. The Compliance Enforcement Authority will be NERC or the Regional Entity in their respective roles of monitoring and enforcing compliance with the NERC Reliability Standards.

~~**Application guidelines:** Guidelines to support the implementation of the associated Reliability Standard.~~

~~**Procedures:** Procedures to support implementation of the associated Reliability Standard.~~

The only mandatory and enforceable components of a Reliability Standard are the: (1) applicability, (2) Requirements, and the (3) effective dates. The additional components are included in the Reliability Standard for

<sup>5</sup> It is the responsibility of the ERO ~~staff-Staff~~ to develop compliance tools for each standard; these tools are not part of the standard but are referenced in this manual because the preferred approach to developing these tools is to use a transparent process that leverages the technical and practical expertise of the drafting team and ballot pool.-

<sup>6</sup> The *Sanction Guidelines of the North American Electric Reliability Corporation* identifies the factors used to determine a penalty or sanction for violation of ~~a reliability Reliability Sstandard~~ and is posted on the NERC ~~Web-web Sitesite~~.

<sup>7</sup> The latest set of approved VRF Criteria is posted on the Reliability Standards Resources ~~Web-web Pagepage~~.

<sup>8</sup> The latest set of approved VSL Criteria is posted on the Reliability Standards Resources ~~Web-web Pagepage~~.

informational purposes, ~~to establish the relevant scope and technical paradigm,~~ and to provide guidance to Functional Entities concerning how compliance will be assessed by the Compliance Enforcement Authority.

## Section 3.0: Reliability Standards Program Organization

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### 3.1: Board of Trustees

The NERC Board of Trustees shall consider for adoption Reliability Standards, definitions, Variances and Interpretations and associated implementation plans that have been ~~processed~~developed according to ~~the processes identified in~~ this manual. Once the Board adopts a Reliability Standard, definition, Variance or Interpretation, the Board shall direct NERC Staff to file the document(s) for approval with Applicable Governmental Authorities.

### 3.2: Registered Ballot Body

The Registered Ballot Body comprises all entities or individuals that qualify for one of the Segments approved by the Board of Trustees<sup>9</sup>, and are registered with NERC as potential ballot participants in the voting on Reliability Standards. Each member of the Registered Ballot Body is eligible to join the ballot pool for each Reliability Standard action.

### 3.3: Ballot Pool

Each Reliability 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 request to participate in that particular Reliability Standard action. The ballot pool votes on each Reliability Standards action. The ballot pool remains in place until all balloting related to that Reliability Standard action has been completed.

### 3.4: Standards Committee

The Standards Committee serves at the pleasure and direction of the NERC Board of Trustees, and the Board approves the Standards Committee's Charter.<sup>10</sup> ~~The composition of the Standards Committee and the election of its members is set forth in Appendix 3B to the NERC Rules of Procedure, Procedures for Election of Members of the Standards Committee are elected by their respective Segment's stakeholders. The Standards Committee consists of two members of each of the Segments in the Registered Ballot Body.<sup>11</sup> A member of the NERC Reliability Standards Staff shall serve as the non-voting secretary to the Standards Committee.~~

The Standards Committee is responsible for managing the Reliability Standards processes for development of Reliability Standards, definitions, Variances and Interpretations in accordance with this manual. The responsibilities of the Standards Committee are defined in detail in the Standards Committee's Charter. The Standards Committee is responsible for ensuring that the Reliability Standards, definitions, Variances and Interpretations developed by drafting teams are developed in accordance with the processes in this manual and meet NERC's benchmarks for Reliability Standards as well as criteria for governmental approval.<sup>12</sup>

The Standards Committee has the right to remand work to a drafting team, to reject the work of a drafting team, or to accept the work of a drafting team. The Standards Committee may disband a drafting team if it determines (a) that the drafting team is not producing a standard in a timely manner; (b) the drafting team is not able to produce a standard that will achieve industry consensus; (c) the drafting team has not addressed the scope of the SAR; or (d) the drafting team has failed to fully address a regulatory directive or otherwise provided a responsive or equally

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<sup>9</sup> The industry Segment qualifications are described in the Development of the Registered Ballot Body and Segment Qualification Guidelines document posted on the Reliability Standards Resources web page and are included in Appendix 3D of the NERC Rules of Procedure.

<sup>10</sup> The Standards Committee Charter is posted on the Reliability Standards Resources web page.

~~<sup>11</sup> In addition to balanced 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.~~

<sup>12</sup> The *Ten Benchmarks of an Excellent Reliability Standard* and FERC's Criteria for Approving Reliability Standards are posted on the Reliability Standards Resources web page.

efficient and effective alternative. The Standards Committee may direct a drafting team to revise its work to follow the processes in this manual or to meet the criteria for NERC’s benchmarks for Reliability Standards, or to meet the criteria for governmental approval; however, the Standards Committee shall not direct a drafting team to change the technical content of a draft Reliability Standard.

The Standards Committee shall meet at regularly scheduled intervals (either in person, or by other means). All Standards Committee meetings are open to all interested parties.

### 3.5: NERC Reliability Standards Staff

The NERC Reliability Standards Staff, led by the Director of Standards,<sup>13</sup> is responsible for administering NERC’s Reliability Standards processes in accordance with this manual. The NERC Reliability Standards Staff provides support to the Standards Committee in managing the Reliability Standards processes and in supporting the work of all drafting teams. The NERC Reliability Standards Staff works to ensure the integrity of the Reliability Standards processes and consistency of quality and completeness of the Reliability Standards. The NERC Reliability Standards Staff facilitates all steps in the development of Reliability Standards, definitions, Variances, Interpretations and associated implementation plans.

The NERC Reliability Standards Staff is responsible for presenting Reliability Standards, definitions, Variances, and Interpretations to the NERC Board of Trustees for adoption. When presenting Reliability Standards-related documents to the NERC Board of Trustees for adoption or approval, the NERC Reliability Standards Staff shall report the results of the associated stakeholder ballot, including identification of unresolved stakeholder objections and an assessment of the document’s practicality and enforceability.

### 3.6: Drafting Teams

The Standards Committee shall appoint industry experts to drafting teams to work with stakeholders in developing and refining Standard Authorization Requests (“SARs”), Reliability Standards, definitions, ~~and~~ Variances, and Interpretations. ~~The NERC Reliability Standards Staff shall appoint drafting teams that develop Interpretations.~~ The NERC Reliability Standards Staff shall provide, or solicit from the industry, essential support for each of the drafting teams in the form of technical writers, legal, compliance, and rigorous and highly trained project management and facilitation support personnel.

Each drafting team may consist of a group of technical, legal, and compliance experts that work cooperatively with the support of the NERC Reliability Standards Staff.<sup>14</sup> The technical experts provide the subject matter expertise and guide the development of the technical aspects of the Reliability Standard, assisted by technical writers, legal and compliance experts. The technical experts maintain authority over the technical details of the Reliability Standard. Each drafting team appointed to develop a Reliability Standard is responsible for following the processes identified in this manual as well as procedures developed by the Standards Committee from the inception of the assigned project through the final acceptance of that project by Applicable Governmental Authorities.

Collectively, each drafting team:

- Drafts proposed language for the Reliability Standards, definitions, Variances, and/or Interpretations and associated implementation plans.
- Develops and refines technical documents that aid in the understanding of Reliability Standards.

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<sup>13</sup> The Director of Standards may delegate its authority to perform certain responsibilities specified in this manual to another member of the NERC Reliability Standards staff.

<sup>14</sup> The detailed responsibilities of drafting teams are outlined in the Drafting Team Guidelines, which is posted on the Reliability Standards Resources web page.

- Works collaboratively with NERC Compliance Monitoring and Enforcement Staff to develop Reliability Standard Audit Worksheets (“RSAWs”) at the same time Reliability Standards are developed.
- Provides assistance to NERC Staff in the development of Compliance Elements of proposed Reliability Standards.
- Solicits, considers, and responds to comments related to the specific Reliability Standards development project.
- Participates in industry forums to help build consensus on the draft Reliability Standards, definitions, Variances, and/or Interpretations and associated implementation plans.
- Assists in developing the documentation used to obtain governmental approval of the Reliability Standards, definitions, Variances, and/or Interpretations and associated implementation plans.

All drafting teams report to the Standards Committee.

### 3.7: Governmental Authorities

~~The Federal Energy Regulatory Commission (“FERC”) in the United States of America, and where permissible by statute or regulation, the federal or provincial governments of other North American jurisdictions that have recognized NERC as the ERO each of the eight Canadian Provinces (Manitoba, Nova Scotia, Saskatchewan, Alberta, Ontario, British Columbia, New Brunswick and Quebec) and the National Energy Board of Canada~~ have the authority to approve each new, revised or withdrawn Reliability Standard, definition, Variance, VRF, VSL and Interpretation following adoption or approval by the NERC Board of Trustees.

### 3.8: Committees, Subcommittees, Working Groups, and Task Forces

NERC’s technical committees, subcommittees, working groups, and task forces provide technical research and analysis used to justify the development of new Reliability Standards and provide guidance, when requested by the Standards Committee, in overseeing field tests or collection and analysis of data. The technical committees, subcommittees, working groups, and task forces provide feedback to drafting teams during both informal and formal comment periods.

The Standards Committee may request that a NERC technical committee or other group prepare a ~~Technical~~technical document to support development of a proposed Reliability Standard.

The technical committees, subcommittees, working groups, and task forces share their observations regarding the need for new or modified Reliability Standards or Requirements with the NERC Reliability Standards Staff for use in identifying the need for new Reliability Standards projects for the three-year *Reliability Standards Development Plan*.

### 3.9: Compliance and Certification Committee

The Compliance and Certification Committee is responsible for monitoring NERC’s compliance with its Reliability Standards processes and procedures and for monitoring NERC’s compliance with the Rules of Procedure regarding the development of new or revised Reliability Standards, definitions, Variances, and Interpretations. The Compliance and Certification Committee may assist in verifying that each proposed Reliability Standard is enforceable as written before the Reliability Standard is posted for formal stakeholder comment and balloting.

### 3.10: Compliance Monitoring and Enforcement Program

As applicable, the NERC Compliance Monitoring and Enforcement Program Staff manages and enforces compliance with approved Reliability Standards. Compliance Monitoring and Enforcement Staff are responsible for the development of select compliance tools. The drafting team and the Compliance Monitoring and Enforcement Program Staff shall work together during the Reliability Standard development process to ensure an accurate and consistent understanding of the Requirements and their intent, and to ensure that applicable compliance tools



accurately reflect that intent. The goal of this collaboration is to ensure that application of the Reliability Standards in the Compliance Monitoring and Enforcement Program by NERC and the Regional Entities is consistent.

The Compliance Monitoring and Enforcement Program is encouraged to share its observations regarding the need for new or modified Requirements with the NERC Reliability Standards Staff for use in identifying the need for new Reliability Standards projects.

### **3.11: North American Energy Standards Board (“NAESB”)**

While NERC has responsibility for developing Reliability Standards to support reliability, NAESB has responsibility for developing business practices and coordination between reliability and business practices as needed. NERC and NAESB developed and approved a procedure<sup>15</sup> to guide the development of Reliability Standards and business practices where the reliability and business practice components are intricately entwined within a proposed Reliability Standard.

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<sup>15</sup> The NERC NAESB Template Procedure for Joint Standards Development and Coordination is posted on the Reliability Standards Resources web page.

## Section 4.0: Process for Developing, Modifying, Withdrawing or Retiring a Reliability Standard

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There are several steps to the development, modification, withdrawal or retirement of a Reliability Standard.<sup>16</sup>

The development of the *Reliability Standards Development Plan* is the appropriate forum for reaching agreement on whether there is a need for a Reliability Standard and the scope of a proposed Reliability Standard. A typical process for a project identified in the *Reliability Standards Development Plan* that involves a revision to an existing Reliability Standard is shown below. Note that most projects do not include a field test.

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<sup>16</sup> The process described is also applicable to projects used to propose a new or modified definition or Variance or to propose retirement of a definition or Variance.

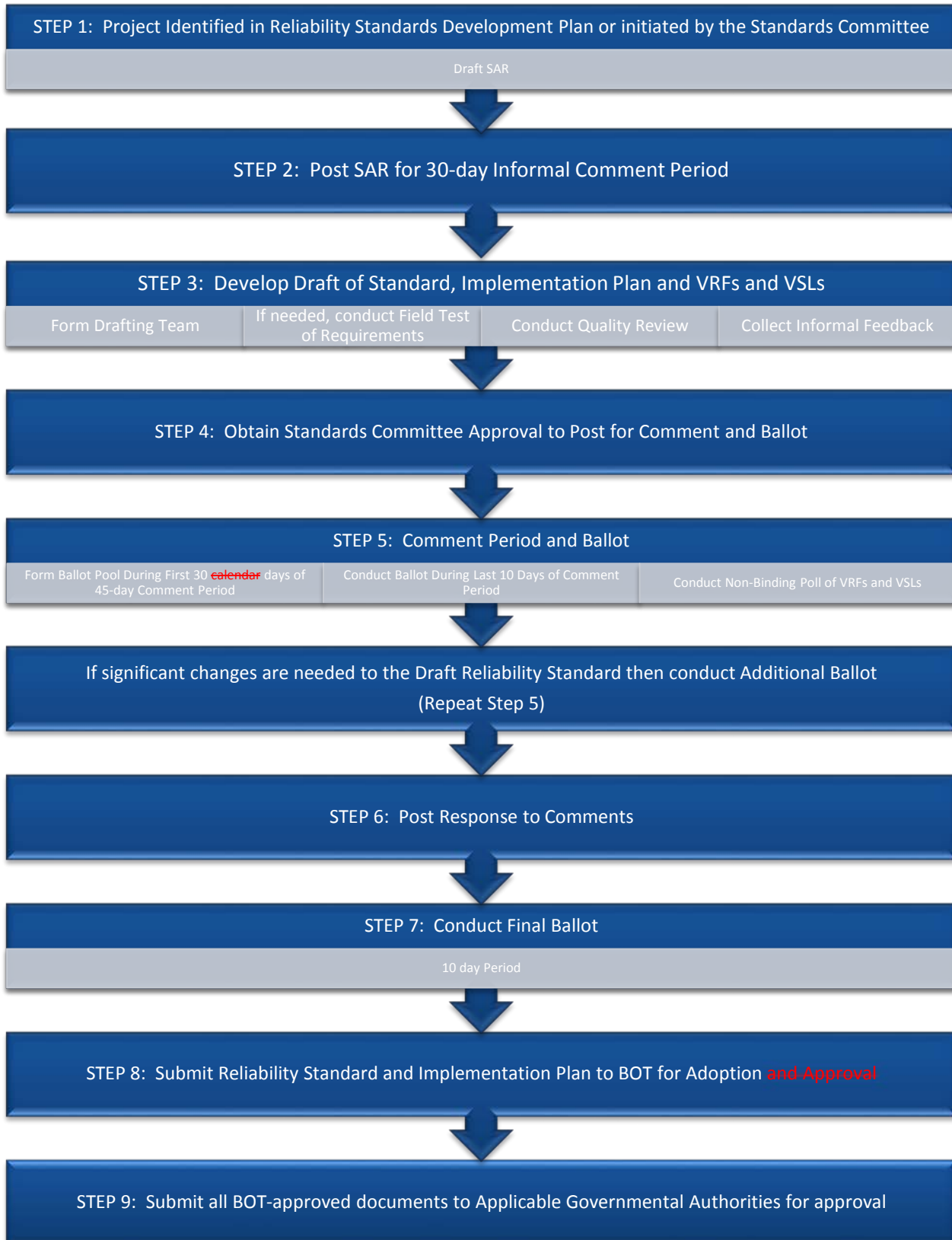


FIGURE 1: Process for Developing or Modifying a Reliability Standard

## 4.1: Posting and Collecting Information on SARs

### Standard Authorization Request

A Standard Authorization Request (“SAR”) is the form used to document the scope and reliability benefit of a proposed project for one or more new or modified Reliability Standards or definitions or the benefit of retiring one or more approved Reliability Standards. Any entity or individual, including NERC committees or subgroups and NERC Staff, may propose the development of a new or modified Reliability Standard, or may propose the retirement of a Reliability Standard (in whole or in part), by submitting a completed SAR<sup>17</sup> to the NERC Reliability Standards Staff.<sup>18</sup> The Standards Committee has the authority to approve the posting of all SARs for projects that propose (i) developing a new or modified Reliability Standard or definition or (ii) propose retirement of an existing Reliability Standard (or elements thereof).

The NERC Reliability Standards Staff sponsors an open solicitation period each year seeking ideas for new Reliability Standards projects (using *Reliability Standards Suggestions and Comments forms*). The open solicitation period is held in conjunction with the annual revision to the *Reliability Standards Development Plan*. While the Standards Committee prefers that ideas for new projects be submitted during this annual solicitation period through submittal of a *Reliability Standards Suggestions and Comments Form*,<sup>19</sup> a SAR proposing a specific project may be submitted to the NERC Reliability Standards Staff at any time.

Each SAR that proposes a “new” or substantially revised Reliability Standard or definition should be accompanied by a technical justification that includes, as a minimum, a discussion of the reliability-related benefits and costs of developing the new Reliability Standard or definition, and a technical foundation document (*e.g.*, research paper) to guide the development of the Reliability Standard or definition. The technical document should address the engineering, planning and operational basis for the proposed Reliability Standard or definition, as well as any alternative approaches considered during SAR development.

The NERC Reliability Standards Staff shall review each SAR and work with the submitter to verify that all required information has been provided. All properly completed SARs shall be submitted to the Standards Committee for action at the next regularly scheduled Standards Committee meeting.

When presented with a SAR, the Standards Committee shall determine if the SAR is sufficiently complete to guide Reliability Standard development and whether the SAR is consistent with this manual. The Standards Committee shall take one of the following actions:

- Accept the SAR.
- Remand the SAR back to the requestor or to NERC Reliability Standards Staff for additional work.
- Reject the SAR. The Standards Committee may reject a SAR for good cause. If the Standards Committee rejects a SAR, it shall provide a written explanation for rejection to the sponsor within ten days of the rejection decision.
- Delay action on the SAR pending one of the following: (i) development of a technical justification for the proposed project; or (ii) consultation with another NERC Committee to determine if there is another approach to addressing the issue raised in the SAR.

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<sup>17</sup> ~~The SAR form can be downloaded from the Reliability Standards Resources web page.~~

<sup>18</sup> ~~The SAR form can be downloaded from~~ is available on the Reliability Standards Resources web page.

<sup>19</sup> The *Reliability Standards Suggestions and Comments Form* can be downloaded from the Reliability Standards Resources web page.

If the Standards Committee is presented with a SAR that proposes developing a new Reliability Standard or definition but does not have a technical justification upon which the Reliability Standard or definition can be developed, the Standards Committee shall direct the NERC Reliability Standards Staff to post the SAR for a 30-day comment period solely to collect stakeholder feedback on the scope of technical foundation, if any, needed to support the proposed project. If a technical foundation is determined to be necessary, the Standards Committee shall solicit assistance from NERC's technical committees or other industry experts to provide that foundation before authorizing development of the associated Reliability Standard or definition.

During the SAR comment process, the drafting team may become aware of potential regional Variances related to the proposed Reliability 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 shall be made a part of the draft new or revised Reliability Standard.

If the Standards Committee accepts a SAR, the project shall be added to the list of approved projects. The Standards Committee shall assign a priority to the project, relative to all other projects under development, and those projects already identified in the *Reliability Standards Development Plan* that are already approved for development.

The Standards Committee shall work with the NERC Reliability Standards Staff to coordinate the posting of SARs for new projects, giving consideration to each project's priority.

## 4.2: SAR Posting

When the Standards Committee determines it is ready to initiate a new project, the Standards Committee shall direct NERC Staff to post the project's SAR in accordance with the following:

- For SARs that are limited to addressing regulatory directives, or revisions to Reliability Standards that have had some vetting in the industry, authorize posting the SAR for a 30-day informal comment period with no requirement to provide a formal response to the comments received.
- For SARs that address the development of new projects or Reliability Standards, authorize posting the SAR for a 30-day formal comment period.

If a SAR for a new Reliability Standard is posted for a formal comment period, the Standards Committee shall appoint a drafting team to work with the NERC Staff coordinator to give prompt consideration of the written views and objections of all participants. The Standards Committee may use a public nomination process to populate the Reliability Standard drafting team, or may use another method that results in a team that collectively has the necessary technical expertise and work process skills to meet the objectives of the project. In some situations, an *ad hoc* team may already be in place with the requisite expertise, competencies, and diversity of views that are necessary to refine the SAR and develop the Reliability Standard, and additional members may not be needed. The drafting team shall address all comments submitted during the public posting period. The drafting team may address the comments, which may be in the form of a summary response addressing each of the issues raised in comments received, during the public posting period. 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. If the drafting team concludes that there is not sufficient stakeholder support to continue to refine the SAR, the team may recommend that the Standards Committee direct curtailment of work on the SAR.

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. The Standards Committee shall notify the sponsor in writing of the rejection within 10 ~~calendar~~ days.

If stakeholders indicate support for the project proposed with the SAR, the drafting team shall present its work to the Standards Committee with a request that the Standards Committee authorize development of the associated Reliability Standard.

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

- Authorize drafting the proposed Reliability Standard or revisions to a Reliability Standard.
- Reject the SAR with a written explanation to the sponsor and post that explanation.

### 4.3: Form Drafting Team

When the Standards Committee is ready to have a drafting team begin work on developing a new or revised Reliability Standard, the Standards Committee shall appoint a drafting team, if one was not already appointed to develop the SAR. If the Standards Committee appointed a drafting team to refine the SAR, the same drafting team shall work to develop the associated Reliability Standard.

If no drafting team is in place, then the Standards Committee may use a public nomination process to populate the Reliability Standard drafting team, or may use another method that results in a team that collectively has the necessary technical expertise, diversity of views, and work process skills to accomplish the objectives of the project on a timely basis. In some situations, an ad hoc team may already be in place with the requisite expertise, competencies, and diversity of views that are necessary to develop the Reliability Standard, and additional members may not be needed.

The NERC Reliability Standards Staff shall provide one or more members as needed to support the team with facilitation, project management, compliance, legal, regulatory and technical writing expertise and shall provide administrative support to the team, guiding the team through the steps in completing its project. In developing the Reliability Standard, the individuals provided by the NERC Reliability Standards Staff serve as advisors to the drafting team and do not have voting rights but share accountability along with the drafting team members assigned by the Standards Committee for timely delivery of a final draft Reliability Standard that meets the quality attributes identified in NERC's *Ten Benchmarks for an Excellent Reliability Standards*. The drafting team members assigned by the Standards Committee shall have final authority over the technical details of the Reliability Standard, while the technical writer shall provide assistance to the drafting team in assuring that the final draft of the Reliability Standard meets the quality attributes identified in NERC's *Ten Benchmarks of an Excellent Reliability Standards*.

Once it is appointed by the Standards Committee, the Reliability Standard drafting team is responsible for making recommendations to the Standards Committee regarding the remaining steps in the Reliability Standards process. Consistent with the need to provide for timely standards development, the Standards Committee may decide a project is so large that it should be subdivided and either assigned to more than one drafting team or assigned to a single drafting team with clear direction on completing the project in specified phases. The normally expected timeframes for standards development within the context of this manual are applicable to individual standards and not to projects containing multiple standards. Alternatively, a single drafting team may address the entire project with a commensurate increase in the expected duration of the development work. If a SAR is subdivided and assigned to more than one drafting team, each drafting team will have a clearly defined portion of the work such that there are no overlaps and no gaps in the work to be accomplished.

The Standards Committee may supplement the membership of a Reliability Standard drafting team or provide for additional advisors, as appropriate, to ensure the necessary competencies and diversity of views are maintained throughout the Reliability Standard development effort.

## 4.4: Develop Preliminary Draft of Reliability Standard, Implementation Plan, and VRFs and VSLs

### 4.4.1: Project Schedule

When a drafting team begins its work, either in refining a SAR or in developing or revising a proposed Reliability Standard, the drafting team shall develop a project schedule which shall be approved by the Standards Committee. The drafting team shall report progress to the Standards Committee, against the initial project schedule and any revised schedule as requested by the Standards Committee. Where project milestones cannot be completed on a timely basis, modifications to the project schedule must be presented to the Standards Committee for consideration along with proposed steps to minimize unplanned project delays.

### 4.4.2: Draft Reliability Standard

The team shall develop a Reliability Standard that is within the scope of the associated SAR that includes all required elements as described earlier in this manual ~~with a goal of and that~~ meets the quality attributes identified in NERC's Ten Benchmarks for of an Excellent Reliability Standards, with a goal of meeting and the criteria for governmental approval. ~~The team shall document its justification for the Requirements in its proposed Reliability Standard by explaining how each meets these criteria. The standard drafting team shall document its justification for selecting each reference by explaining how each Requirement fits the category chosen.~~

The drafting team may, at its discretion, develop one or more supporting technical documents to help explain or facilitate understanding of the draft Reliability Standard, implementation plan, VSL, or VRF. These supporting technical documents may include, among other things: (1) reference documents designed to provide the drafting team's technical rationale, analysis, or explanatory information to support the understanding of the draft Reliability Standard or related element; or (2) white papers designed to explain a technical position or concept underlying the draft Reliability Standard or related element. Such documents may be posted during an informal comment period (Section 4.5) or formal comment period (Section 4.7).

### 4.4.3: Implementation Plan

As a drafting team drafts its proposed revisions to a Reliability Standard, that team is also required to develop an implementation plan to identify any factors for consideration when approving the proposed effective date or dates for the associated Reliability Standard or Standards. As a minimum, the implementation plan shall include the following:

- The proposed effective date (the date entities shall be compliant) for the Requirements.
- Identification of any new or modified definitions that are proposed for approval with the associated Reliability Standard.
- Whether there are any prerequisite actions that need to be accomplished before entities are held responsible for compliance with one or more of the Requirements.
- Whether approval of the proposed Reliability Standard will necessitate any conforming changes to any already approved Reliability Standards – and identification of those Reliability Standards and Requirements.
- The Functional Entities that will be required to comply with one or more Requirements in the proposed Reliability Standard.

A single implementation plan may be used for more than one Reliability Standard. The implementation plan is posted with the associated Reliability Standard or Standards during the ~~45-(calendar)-day~~ formal comment period and is balloted with the associated Reliability Standard.

#### 4.4.4: Violation Risk Factors and Violation Severity Levels

The drafting team shall work with NERC Staff in developing a set of VRFs and VSLs that meet the latest criteria established by NERC and Applicable Governmental Authorities. The drafting team shall document its justification for selecting each VRF and for setting each set of proposed VSLs by explaining how its proposed VRFs and VSLs meet these criteria. NERC Staff is responsible for ensuring that the VRFs and VSLs proposed for stakeholder review meet these criteria.

Before the drafting team has finalized its Reliability Standard, implementation plan, and VRFs and VSLs, the team should seek stakeholder feedback on its preliminary draft documents.

#### 4.5: Informal Feedback<sup>20</sup>

Drafting teams may use a variety of methods to collect informal stakeholder feedback on preliminary drafts of its documents, including the use of informal comment periods,<sup>21</sup> webinars, industry meetings, workshops, or other mechanisms. Information gathered from informal comment forms shall be publicly posted. While drafting teams are not required to provide a written response to each individual comment received, drafting teams are encouraged, where possible, to post a summary response that identifies how it used comments submitted by stakeholders. Drafting teams are encouraged, where possible, to reach out directly to individual stakeholders in order to facilitate resolution of identified stakeholder concerns. The intent is to gather stakeholder feedback on a “working document” before the document reaches the point where it is considered the “final draft.”

#### 4.6: Conduct Quality Review

The NERC Reliability Standards Staff shall coordinate a quality review of the Reliability Standard, implementation plan, and VRFs and VSLs in parallel with the development of the Reliability Standard and implementation plan, to assess whether the documents are within the scope of the associated SAR, whether the Reliability Standard is clear and enforceable as written, and whether the Reliability Standard meets the criteria specified in NERC’s *Ten Benchmarks for of an Excellent Reliability Standards* and criteria for governmental approval of Reliability Standards. The drafting team shall consider the results of the quality review, decide upon appropriate changes, and recommend to the Standards Committee whether the documents are ready for formal posting and balloting.

The Standards Committee shall authorize posting the proposed Reliability Standard, and implementation plan for a formal comment period and ballot and the VRFs and VSLs for a non-binding poll as soon as the work flow will accommodate.

If the Standards Committee finds that any of the documents do not meet the specified criteria, the Standards Committee shall remand the documents to the drafting team for additional work.

If the Reliability Standard is outside the scope of the associated SAR, the drafting team shall be directed to either revise the Reliability Standard so that it is within the approved scope, or submit a request to expand the scope of the approved SAR. If the Reliability Standard is not clear and enforceable as written, or if the Reliability Standard does not meet the specified criteria, the Reliability Standard shall be returned to the drafting team by the Standards Committee with specific identification of any Requirement that is deemed to be unclear or unenforceable as written.

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<sup>20</sup> While this discussion focuses on collecting stakeholder feedback on proposed Reliability Standards and implementation plans, the same process is used to collect stakeholder feedback on proposed new or modified Interpretations, definitions and Variances.

<sup>21</sup> The term “informal comment period” refers to a comment period conducted outside of the ballot process and where there is no requirement for a drafting team to respond in writing to submitted comments.



## 4.7: Conduct Formal Comment Period and Ballot

Proposed new or modified Reliability Standards require a formal comment period where the new or modified Reliability Standard, implementation plan and associated VRFs and VSLs or the proposal to retire a Reliability Standard, implementation plan, and associated VRFs and VSLs are posted.

The formal comment period shall be at least 45-days long. Formation of the ballot pool and Ballot of the Reliability Standard take place during this formal 45-day comment period. The intent of the formal comment period(s) is to solicit very specific feedback on the final draft of the Reliability Standard, implementation plan and VRFs and VSLs.

Comments in written form may be submitted on a draft Reliability Standard by any interested stakeholder, including NERC Staff, FERC Staff, and other interested governmental authorities. If stakeholders disagree with some aspect of the proposed set of products, comments provided should explain the reasons for such disagreement and, where possible, suggest specific language that would make the product acceptable to the stakeholder.

## 4.8: Form Ballot Pool

The NERC Reliability Standards Staff shall establish a ballot pool during the first 30 ~~calendar~~ days of the 45-day formal comment period. The NERC Reliability Standards Staff shall post the proposed Reliability Standard, along with its implementation plan, VRFs and VSLs and shall send a notice to every entity in the Registered Ballot Body to provide notice that there is a new or revised Reliability Standard proposed for approval and to solicit participants for the associated ballot pool. All members of the Registered Ballot Body are eligible to join each ballot pool to vote on a new or revised Reliability Standard and its implementation plan and to participate in the non-binding poll of the associated VRFs and VSLs.

Any member of the Registered Ballot Body may join or withdraw from the ballot pool until the ballot window opens. No Registered Ballot Body member may join or withdraw from the ballot pool once the first ballot starts through the point in time where balloting for that Reliability Standard action has ended. The Director of Standards or its designee may authorize deviations from this rule for extraordinary circumstances such as the death, retirement, or disability of a ballot pool member that would prevent an entity that had a member in the ballot pool from eligibility to cast a vote during the ballot window. Any ~~approved~~ authorized deviation shall be documented and noted to the Standards Committee.

## 4.9: Conduct Ballot and Non-binding Poll of VRFs and VSLs<sup>22</sup>

The NERC Reliability Standards Staff shall announce the opening of the Ballot window and the non-binding poll of VRFs and VSLs. The Ballot window and non-binding poll of VRFs and VSLs shall take place during the last 10 ~~calendar~~ days of the 45-day formal comment period and for the Final Ballot shall be no less than 10 ~~calendar~~ days. If the last day of the ballot window falls on a Saturday or Sunday, the period does not end until the next business day.<sup>23</sup>

The ballot and non-binding poll shall be conducted electronically. The voting window shall be for a period of 10 ~~calendar~~ days but shall be extended, if needed, until a quorum is achieved. During a ballot window, NERC shall not sponsor or facilitate public discussion of the Reliability Standard action under ballot.

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<sup>22</sup> While RSAWs are not part of the Reliability Standard, they are developed through collaboration of the SDT and NERC Compliance Staff. A non-binding poll, similar to what is done for VRFs and VSLs may be conducted for the RSAW developed through this process to gauge industry support for the companion RSAW to be provided for informational purposes to the NERC Board of Trustees.

<sup>23</sup> Closing dates may be extended as deemed appropriate by NERC Staff.

There is no requirement to conduct a new non-binding poll of the revised VRFs and VSLs if no changes were made to the associated standard, however if the requirements are modified and conforming changes are made to the associated VRFs and VSLs, another non-binding poll of the revised VRFs and VSLs shall be conducted.

#### 4.10: Criteria for Ballot Pool Approval

Ballot pool approval of a Reliability Standard requires:

A quorum, which is established by at least 75% of the members of the ballot pool submitting a response; and

A two-thirds majority of the weighted Segment votes cast shall be affirmative. The number of votes cast is the sum of affirmative votes and negative votes with comments. This calculation of votes for the purpose of determining consensus excludes (i) abstentions, (ii) non-responses, and (iii) negative votes without comments.

The following process<sup>24</sup> is used to determine if there are sufficient affirmative votes.

- For each Segment with ten or more voters, the following process shall be used: The number of affirmative votes cast shall be divided by the sum of affirmative and negative votes with comments cast to determine the fractional affirmative vote for that Segment. Abstentions, non-responses, and negative votes without comments shall not be counted for the purposes of determining the fractional affirmative vote for a Segment.
- For each Segment with less than ten voters, the vote weight of that Segment shall be proportionally reduced. Each voter within that Segment voting affirmative or negative with comments shall receive a weight of 10% of the Segment vote.
- The sum of the fractional affirmative votes from all Segments divided by the number of Segments voting<sup>25</sup> shall be used to determine if a two-thirds majority has been achieved. (A Segment shall be considered as “voting” if any member of the Segment in the ballot pool casts either an affirmative vote or a negative vote with comments.)
- A Reliability Standard shall be approved if the sum of fractional affirmative votes from all Segments divided by the number of voting Segments is at least two thirds.

#### 4.11: Voting Positions

Each member of the ballot pool may **only** vote one of the following positions on the Ballot and Additional Ballot(s):

- Affirmative;
- Affirmative, with comment;
- Negative with comments;
- Abstain.

Given that there is no formal comment period concurrent with the Final Ballot, each member of the ballot pool may **only** vote one of the following positions on the Final Ballot:

- Affirmative;

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<sup>24</sup> Examples of weighted segment voting calculation are posted on the Reliability Standards Resources web page.

<sup>25</sup> 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.

- Negative;<sup>26</sup>
- Abstain.

## 4.12: Consideration of Comments and Additional Ballots

A drafting team must respond in writing to every stakeholder written comment submitted in response to a ballot prior to conducting a Final Ballot. These responses may be provided in summary form, but all comments and objections must be responded to by the drafting team. All comments received and all responses shall be publicly posted.

If a stakeholder or balloter proposes a significant revision to a Reliability Standard during the formal comment period or concurrent Ballot that will improve the quality, clarity, or enforceability of that Reliability Standard, then the drafting team may choose to make such revisions and post the revised Reliability Standard for another 45-~~calendar~~ day public comment period and ballot. ~~However, a~~ A drafting team is not required to respond in writing to comments to the previous ballot when it determines that significant changes are needed and an Additional Ballot will be conducted. Prior to posting the revised Reliability Standard for an additional comment period, the drafting team must communicate this decision to stakeholders. This communication is intended to inform stakeholders that the drafting team has identified that significant revisions to the Reliability Standard are necessary and should note that the drafting team is not required to respond in writing to comments from the previous ballot. The drafting team will respond to comments received in the last Additional Ballot prior to conducting a Final Ballot.

There are no limits to the number of public comment periods and ballots that can be conducted to result in a Reliability Standard or interpretation that is clear and enforceable, and achieves a quorum and sufficient affirmative votes for approval. The Standards Committee has the authority to conclude this process for a particular Reliability Standards action if it becomes obvious that the drafting team cannot develop a Reliability Standard that is within the scope of the associated SAR, is sufficiently clear to be enforceable, and achieves the requisite weighted Segment approval percentage.

~~There is no formal comment period concurrent with the Final Ballot and no obligation for the drafting team to respond to any comments submitted during the Final Ballot.~~

## ~~4.13: Additional Ballots~~

~~A drafting team must respond in writing to every stakeholder written comment submitted in response to a ballot prior to conducting a Final Ballot. These responses may be provided in summary form, but all comments and objections must be responded to by the drafting team. All comments received and all responses shall be publicly posted.~~

~~However, a drafting team is not required to respond in writing to comments to the previous ballot when it determines that significant changes are needed and an Additional Ballot will be conducted.~~

## ~~4.13~~ 4.14: Conduct Final Ballot

When the drafting team has reached a point where it has made a good faith effort at resolving applicable objections and is not making any substantive changes from the previous ballot, the team shall conduct a “Final Ballot.” A non-substantive revision is a revision that does not change the scope, applicability, or intent of any Requirement and includes but is not limited to things such as correcting the numbering of a Requirement, correcting the spelling of a

<sup>26</sup> The Final Ballot is used to confirm consensus achieved during the Formal Comment and Ballot stage. Ballot Pool members voting negative on the Final Ballot will be deemed to have expressed the reason for their negative ballot in their own comments or the comments of others during prior Formal Comment periods.

word, adding an obviously missing word, or rephrasing a Requirement for improved clarity. Where there is a question as to whether a proposed modification is “substantive,” the Standards Committee shall make the final determination.

In the Final Ballot, members of the ballot pool shall again be presented the proposed Reliability Standard along with the reasons for negative votes from the previous ballot, the responses of the drafting team to those concerns, and any resolution of the differences.

All members of the ballot pool shall be permitted to reconsider and change their vote from the prior ballot. Members of the ballot pool who did not respond to the prior ballot shall be permitted to vote in the Final Ballot. In the Final Ballot, votes shall be counted by exception only — members on the Final Ballot may indicate a revision to their original vote; otherwise their vote shall remain the same as in their prior ballot.

There is no formal comment period concurrent with the Final Ballot and no obligation for the drafting team to respond to any comments submitted during the Final Ballot.

#### **4.1514: Final Ballot Results**

~~There are no limits to the number of public comment periods and ballots that can be conducted to result in a Reliability Standard or interpretation that is clear and enforceable, and achieves a quorum and sufficient affirmative votes for approval. The Standards Committee has the authority to conclude this process for a particular Reliability Standards action if it becomes obvious that the drafting team cannot develop a Reliability Standard that is within the scope of the associated SAR, is sufficiently clear to be enforceable, and achieves the requisite weighted Segment approval percentage.~~

The NERC Reliability Standards Staff shall post the final outcome of the ballot process. If the Reliability Standard is rejected, the Standards Committee may decide whether to end all further work on the proposed standard, return the project to informal development, or continue holding ballots to attempt to reach consensus on the proposed standard. If the Reliability Standard is approved, the Reliability Standard shall be posted and presented to the Board of Trustees by NERC management for adoption and subsequently filed with Applicable Governmental Authorities for approval.

#### **4.1615: Board of Trustees Adoption of Reliability Standards, Implementation Plan and VRFs and VSLs**

If a Reliability Standard and its associated implementation plan are approved by its ballot pool, the Board of Trustees shall consider adoption of that Reliability Standard and its associated implementation plan and shall direct the standard to be filed with Applicable Governmental Authorities for approval. In making its decision, the Board shall consider the results of the balloting and unresolved dissenting opinions. The Board shall adopt or reject a Reliability Standard and its implementation plan, but shall not modify a proposed Reliability Standard. If the Board chooses not to adopt a Reliability Standard, it shall provide its reasons for not doing so.

The ~~board~~Board shall consider approval of the VRFs and VSLs associated with a ~~reliability~~Reliability standardStandard. In making its determination, the board shall consider the following:

- The Standards Committee shall present the results of the non-binding poll conducted and a summary of industry comments received on the final posting of the proposed VRFs and VSLs.
- NERC Staff shall present a set of recommended VRFs and VSLs that considers the views of the standard drafting team, stakeholder comments received on the draft VRFs and VSLs during the posting for comment process, the non-binding poll results, appropriate governmental agency rules and directives, and VRF and VSL assignments for other Reliability Standards to ensure consistency and relevance across the entire spectrum of Reliability Standards.

#### **4.~~17~~16: Compliance**

For a Reliability Standard to be enforceable, it shall be approved by its ballot pool, adopted by the NERC Board of Trustees, and approved by Applicable Governmental Authorities, unless otherwise approved by the NERC Board of Trustees pursuant to the NERC Rules of Procedure (*e.g.*, Section 321) and approved by Applicable Governmental Authorities. Once a Reliability Standard is approved or otherwise made mandatory by Applicable Governmental Authorities, all persons and organizations subject to jurisdiction of the ERO will be required to comply with the Reliability Standard in accordance with applicable statutes, regulations, and agreements.

#### **4.~~18~~17: Withdrawal of a Reliability Standard, Interpretation, or Definition**

The term “withdrawal” as used herein, refers to the discontinuation of a Reliability Standard, Interpretation, Variance or definition that has been approved by the Board of Trustees and (1) has not been filed with Applicable Governmental Authorities, or (2) has been filed with, but not yet approved by, Applicable Governmental Authorities. The Standards Committee may withdraw a Reliability Standard, Interpretation or definition for good cause upon approval by the Board of Trustees. Upon approval by the Board of Trustees, NERC Staff will petition the Applicable Governmental Authorities, as needed, to allow for withdrawal. The Board of Trustees also has an independent right of withdrawal that is unaffected by the terms and conditions of this Section.

#### **4.~~19~~18: Retirement of a Reliability Standard, Interpretation, or Definition**

The term “retirement” refers to the discontinuation of a Reliability Standard, Interpretation or definition that has been approved by Applicable Governmental Authorities. A Reliability Standard, Variance or Definition may be retired when it is superseded by a revised version, and in such cases the retirement of the earlier version is to be noted in the implementation plan presented to the ballot pool for approval and the retirement shall be considered approved by the ballot pool upon ballot pool approval of the revised version.

Upon identification of a need to retire a Reliability Standard, Variance, Interpretation or definition, where the item will not be superseded by a new or revised version, a SAR containing the proposal to retire a Reliability Standard, Variance, Interpretation or definition will be posted for a comment period and ballot in the same manner as a Reliability Standard. The proposal shall include the rationale for the retirement and a statement regarding the impact of retirement on the reliability of the Bulk Power System. Upon approval by the Board of Trustees, NERC Staff will petition the Applicable Governmental Authorities to allow for retirement.

## Section 5.0: Process for Developing a Defined Term

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NERC maintains a glossary of approved terms, entitled the *Glossary of Terms Used in NERC Reliability Standards*<sup>27</sup> (“Glossary of Terms”). The Glossary of Terms includes terms that have been through the formal approval process and are used in one or more NERC Reliability Standards. Definitions shall not contain statements of performance Requirements. The Glossary of Terms is intended to provide consistency throughout the Reliability Standards.

There are several methods that can be used to add, modify or retire a defined term used in a continent-wide Reliability Standard.

- Anyone can use a Standard Authorization Request (“SAR”) to submit a request to add, modify, or retire a defined term.
- Anyone can submit a Standards Comments and Suggestions Form recommending the addition, modification, or retirement of a defined term. (The suggestion would be added to a project and incorporated into a SAR.)
- A drafting team may propose to add, modify, or retire a defined term in conjunction with the work it is already performing.

### 5.1: Proposals to Develop a New or Revised Definition

The following considerations should be made when considering proposals for new or revised definitions:

- Some NERC Regional Entities have defined terms that have been approved for use in Regional Reliability Standards, and where the drafting team agrees with a term already defined by a Regional Entity, the same definition should be adopted if needed to support a NERC Reliability Standard.
- If a term is used in a Reliability Standard according to its common meaning (as found in a collegiate dictionary), the term shall not be proposed for addition to the Glossary of Terms.
- If a term has already been defined, any proposal to modify or delete that term shall consider all uses of the definition in approved Reliability Standards, with a goal of determining whether the proposed modification is acceptable, and whether the proposed modification would change the scope or intent of any approved Reliability Standards.
- When practical, where NAESB has a definition for a term, the drafting team shall use the same definition to support a NERC Reliability Standard.

Any definition that is balloted separately from a proposed new or modified Reliability Standard or from a proposal for retirement of a Reliability Standard shall be accompanied by an implementation plan.

If a SAR is submitted to the NERC Reliability Standards Staff with a proposal for a new or revised definition, the Standards Committee shall consider the urgency of developing the new or revised definition and may direct NERC Staff to post the SAR immediately, or may defer posting the SAR until a later time based on its priority relative to other projects already underway or already approved for future development. If the SAR identifies a term that is used in a Reliability Standard already under revision by a drafting team, the Standards Committee may direct the drafting team to add the term to the scope of the existing project. Each time the Standards Committee accepts a SAR for a project that was not identified in the *Reliability Standards Development Plan*, the project shall be added to the list of approved projects.

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<sup>27</sup> The latest approved version of the Glossary of Terms is posted on the NERC website on the Standards web page.

## 5.2: Stakeholder Comments and Approvals

Any proposal for a new or revised definition shall be processed in the same manner as a Reliability Standard and quality review shall be conducted in parallel with this process. Once authorized by the Standards Committee, the proposed definition and its implementation plan shall be posted for at least one formal stakeholder comment period and shall be balloted in the same manner as a Reliability Standard. If a new or revised definition is proposed by a drafting team, that definition may be balloted separately from the associated Reliability Standard.

Each definition that is approved by its ballot pool shall be submitted to the NERC Board of Trustees for adoption and then filed with Applicable Governmental Authorities for approval in the same manner as a Reliability Standard.

## Section 6.0: Processes for Conducting Field Tests ~~and Collecting and Analyzing Data~~

While most drafting teams can develop ~~their~~ Reliability Standards without the need to conduct any field tests and without the need to collect and analyze data, some Reliability Standard development efforts may ~~require benefit from~~ field tests to analyze data and validate concepts in the development of Reliability Standards. ~~Drafting teams are not required to collect and analyze data or to conduct a field test to validate a Reliability Standard.~~

~~There are two types of field tests – tests of concepts and tests of requirements. A field test is initiated by either a SAR or Reliability Standard drafting team. The drafting team is responsible for developing the field test plan, including the implementation schedule, and identifying compliance-related issues, such as the potential need for compliance waivers. Participation in a field test is voluntary.~~

### 6.1: Field Tests and Data Analysis ~~for Validation of Concepts (collectively “field test”)~~

- ~~Field tests or collection and analysis of data to validate concepts that supports supporting the development of Requirements Reliability Standards should be conducted before finalizing the SAR for a project is finalized. If an entity wants to test a technical concept in support of a proposal for a new or revised Reliability Standard, the entity should either work with one of NERC’s technical committees in collecting and analyzing the data or in conducting the field test, or the entity should submit a SAR with a request to collect and analyze data or conduct a field test to validate the concept prior to developing a new or revised Reliability Standard. The request to collect and analyze data or conduct a field test should include, at a minimum, either the data collection and analysis or field test plan, the implementation schedule, and an expectation for periodic updates of the analysis of the results. If the SAR sponsor has not collected and analyzed the data or conducted the field test, the Standards Committee may solicit support from NERC’s technical committees or others in the industry. The results of the data collection and analysis or field test shall then be used to determine whether to add the SAR to the list of projects in the Reliability Standard Development Plan.~~
- ~~To conduct a field test of a technical concept in a proposed new or revised Reliability Standard, the SAR or standard drafting team shall work with NERC Staff to identify one of NERC’s technical committees to oversee the field test as well as other technical committees with relevant technical expertise.~~
- ~~The drafting team shall perform the field test, in coordination with NERC Staff and under the supervision of the assigned technical committee, in accordance with an approved field test plan. The drafting team may be assisted by other individuals based on the required expertise needed to support the field test.~~
- ~~The lead NERC technical committee shall identify potential field test participants.~~

#### 6.1.1: Field Test Approval

~~The request to conduct a field test shall include, at a minimum:~~

- ~~the field test plan;~~
- ~~the implementation schedule; and~~
- ~~a schedule for providing periodic updates regarding field test results and analysis to the lead NERC technical committee.~~

~~Prior to the drafting team conducting a field test, the drafting team shall: (i) first receive approval from the lead NERC technical committee; and (ii) then receive approval from the Standards Committee.~~



The lead NERC technical committee shall base its approval on the technical adequacy of the field test request. Following approval, the lead NERC technical committee shall provide a recommendation to the Standards Committee for the disposition of the field test request.

The Standards Committee's decision to approve the field test request shall be based on: (i) an affirmative recommendation from the lead NERC technical committee regarding the field test plan; and (ii) the Standards Committee's approval of the implementation schedule and the periodic update schedule. If the Standards Committee rejects the field test request, the Standards Committee shall provide an explanation of the decision to the lead NERC technical committee.

### **6.1.2: Compliance Waivers**

~~If the conduct of a field test (concepts or Requirements) or data collection and analysis could~~ Compliance waivers may be required for Registered Entities that would be rendered Registered Entities incapable of complying with the current Requirement(s) of an approved currently enforceable Reliability Standard that is undergoing revision, the drafting team shall request a temporary waiver from compliance to those Requirements for entities due to their participating in the field test. Upon request, the Standards Committee shall seek approval for the waiver from ~~the~~ The NERC Compliance Monitoring and Enforcement Program Staff prior to the approval of the field test or data collection and analysis. shall determine whether to approve any such compliance waivers and shall be responsible for approving any modifications or terminations to approved waivers that may become necessary in the course of conducting the field test. Staff shall notify the affected Registered Entities of all compliance waiver determinations.

### **6.1.3: Field Test Suspension for Reliability Concerns**

During the field test, if NERC or the lead NERC technical committee overseeing the field test determines that the field test is creating a reliability risk to the Bulk Power System, NERC or the lead NERC technical committee shall:

- stop the activity;
- inform the Standards Committee that the activity was stopped; and
- if NERC or the lead technical committee is of the opinion a modification to the field test is necessary, provide a technical justification to the drafting team.

The Standards Committee, with the assistance of NERC Staff, shall:

- document the cessation or modification of the field test; and
- notify NERC Compliance Monitoring and Enforcement Program Staff to coordinate any compliance-related issues such as continuing or terminating waivers, where applicable (see Section 6.1.2).

Prior to modifying the field test or restarting the field test after it has been stopped, the drafting team shall resubmit the field test request and receive approval as outlined in Section 6.1.1.

### **6.1.4: Continuing, Modifying, or Terminating a Field Test**

If the drafting team determines that a field test does not provide sufficient information to formulate a conclusion within the time allotted in the plan, it shall provide to the lead NERC technical committee and the chair of the Standards Committee a recommendation to continue, modify, or terminate the field test. The lead NERC technical committee shall either approve or reject a request to continue, modify, or terminate the field test and thereafter provide notice to the Standards Committee chair of its decision. The Standards Committee shall notify NERC Compliance Monitoring and Enforcement Program Staff to coordinate any compliance-related issues such as continuing or terminating waivers (see Section 6.1.2).

If the duration of the field test is extended beyond the period of standard development, NERC Staff shall post the preliminary report and results on the NERC web site prior to the final ballot of the Reliability Standard.

## ~~6.2: Field Tests and Data Analysis for Validation of Requirements~~

~~If a drafting team wants to conduct a field test or collect and analyze data to validate its proposed Requirements in a Reliability Standard, the team shall first obtain approval from the Standards Committee.<sup>28</sup> Drafting teams are not required to collect and analyze data or to conduct a field test to validate a Reliability Standard.~~

~~The request should include at a minimum the data collection and analysis or field test plan, the implementation schedule, and an expectation for periodic updates of the results. When authorizing a drafting team to collect and analyze data or to conduct a field test of one or more Requirements, the Standards Committee may request inputs on technical matters related from NERC's technical committees or industry experts, and may request the assistance of the Compliance Monitoring and Enforcement Program. All data collection and analysis and all field tests shall be concluded and the results incorporated into the Reliability Standard Requirements as necessary before proceeding to the formal comment period and subsequent balloting.~~

## **6.32: Communication and Coordination for All Types of Field Tests and Data Analyses**

Prior to initiating the field test, the Standards Committee chair and the lead NERC technical committee chair shall inform the Board of Trustees of the pending field test, the expected duration, and any requested compliance waivers.

During the field test, the drafting team shall provide periodic updates (no less than quarterly) on the progress of the field test to the Standards Committee and the NERC technical committees. Prior to the ballot of any standard involving a field test, the drafting team shall provide to the Standards Committee either: (i) a preliminary report of the field test results of the field test to date, if the field test will continue beyond standard development; or (ii) a final report of the field test results. The Standards Committee chair shall keep the Board of Trustees informed regarding field test status.

~~Once a plan for a field test or a plan for data collection and analysis is approved, the NERC Reliability Standards Staff shall, under the direction of the Standards Committee, coordinate the implementation of the field test or data collection and analysis and shall provide official notice to the participants in the field test or data collection of any applicable temporary waiver to compliance with specific noted Requirements. The drafting team conducting the field test shall provide periodic updates on the progress of the field tests or data collection and analysis to the Standards Committee. The Standards Committee has the right to curtail a field test or data collection and analysis that is not implemented in accordance with the approved plan.~~

~~The approved field test plan and any modifications thereto, along with or data collection and analysis plan, its approval, its participants, and all field test reports and results, shall be publicly posted for stakeholder review on the Reliability Standards NERC web page site. The participant list shall also be posted, unless posting this list would present confidentiality or other concerns.~~

~~If a drafting team conducts or participates in a field test or in data collection and analysis (of concepts or Requirements), it shall provide a final report that identifies the results and how those results will be used.~~

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<sup>28</sup> The Process for Approving Data Collection and Analysis and Field Tests Associated with a Reliability Standard is posted on the Reliability Standards Resources web page.

## Section 7.0: Process for Developing an Interpretation

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. A valid Interpretation response provides additional clarity about one or more Requirements, but does not expand on any Requirement and does not explain how to comply with any Requirement. Any entity that is directly and materially affected by the reliability of the North American Bulk Power Systems may request an Interpretation of any Requirement in any continent-wide Reliability Standard that has been adopted by the NERC Board of Trustees. Interpretations will only be provided for Board of Trustees-approved Reliability Standards *i.e.* (i) the current effective version of a Reliability Standard; or (ii) a version of a Reliability Standard with a future effective date.

### 7.1: Valid Interpretation Criteria

~~An~~ A valid Interpretation may only clarify or ~~interpret~~ explain the meaning of the language of the Requirement(s) of an approved Reliability Standard, including, if applicable, any referenced attachment ~~referenced in the Requirement being clarified~~. A valid Interpretation may not alter the scope or language of a Requirement or referenced attachment. No other elements of an approved Reliability Standard are subject to an Interpretation.

### 7.2: Process for Requesting an Interpretation

The entity requesting ~~the an~~ Interpretation shall submit a *Request for Interpretation* form<sup>29</sup> to ~~the~~ NERC Reliability Standards Staff explaining the clarification or explanation requested, the specific circumstances surrounding the request, and the impact of not having the Interpretation provided. ~~The~~ NERC Reliability Standards and Legal Staffs shall review the request for ~~interpretation~~ Interpretation to determine whether it meets the requirements criteria for a valid ~~interpretation~~ Interpretation. Based on this review, ~~the~~ NERC Standards and Legal Staffs shall make a recommendation to the Standards Committee whether to accept the request for Interpretation and move forward in responding to the Interpretation request. NERC Staff shall periodically communicate to the Standards Committee the status of all Interpretation requests that are pending resolution.

#### 7.2.1: Rejection of an Interpretation Request

~~For example,~~ The Standards Committee may reject a request for an Interpretation ~~request may be rejected where it in~~ the following circumstances:

- ~~The~~ Requests request seeks approval of a particular compliance approach <sup>30</sup>;
- ~~Identifies a gap or perceived weakness in the approved Reliability Standard;~~
- ~~The~~ Where an issue can be addressed by incorporating the issue into an active existing standard ~~drafting team development project or a project contemplated in a published development plan.~~;
- ~~The~~ Where it requests seeks clarification or explanation of any element of a Reliability Standard other than a Requirement or referenced attachment.;
- ~~Where a question~~ The issue has already been addressed in the record <sup>31</sup>;
- ~~Where the Interpretation~~ The request identifies an issue and proposes the development of a new or modified Reliability Standard, (such issues should be addressed via submission of a SAR);;
- ~~Where an Interpretation~~ The request seeks to expand alter the scope of a Reliability Standard, ~~or~~

<sup>29</sup> The *Request for Interpretation* form is posted on the NERC Standards web page.

<sup>30</sup> Requests that seek approval of specific compliance approaches, or examples of compliance, are not candidates for Interpretations and should be pursued through the applicable NERC Compliance Monitoring and Enforcement Program processes.

<sup>31</sup> The “record” is generally understood to refer to the record of development, regulatory approval record, or other materials developed to support the development or approval of a Reliability Standard.

- ~~Where t~~The meaning of a Reliability Standard is ~~plain on its face~~ clear and evident by inspection or the plain words that are written.

If the Standards Committee rejects the Interpretation request, it shall provide a written explanation for ~~the rejecting rejection the Interpretation~~ to the entity requesting the Interpretation within 10 business days of the decision to reject.

### **7.2.2: Acceptance of an Interpretation Request**

If the Standards Committee accepts the Interpretation request, ~~the NERC Standards Staff~~it shall authorize NERC Staff to (i) form a ballot pool and (ii) assemble an Interpretation drafting team with the relevant expertise to address the interpretation for approval by the Standards Committee with the relevant expertise to address the request.

### **7.2.3: Development of an Interpretation**

As soon as practical, the Interpretation drafting team shall develop a “final draft” Interpretation, consistent with Section 7.1 providing the requested clarity. Interpretations shall be developed in accordance with the following process:

- NERC Staff shall review the draft Interpretation to determine whether it meets the criteria for a valid Interpretation and shall provide to the Standards Committee a recommendation to authorize posting or remand to the Interpretation drafting team for further work.
- The Standards Committee, after reviewing the recommendation, shall determine whether to authorize posting of the draft Interpretation for comment and ballot.
- Interpretations ~~will~~shall be balloted in the same manner as Reliability Standards (see Section 4.0).

If ~~stakeholder comments the ballot results~~ indicate that there is not a consensus for the Interpretation, and the Interpretation drafting team cannot revise the Interpretation without violating the basic ~~expectations criteria for what constitutes a valid Interpretation (see Section 7.1), outlined above,~~ the Interpretation drafting team shall notify the Standards Committee of its conclusion and may submit a SAR with the proposed modification to the Reliability Standard. The entity that requested the Interpretation shall be notified in writing and the disposition of the Interpretation shall be posted.

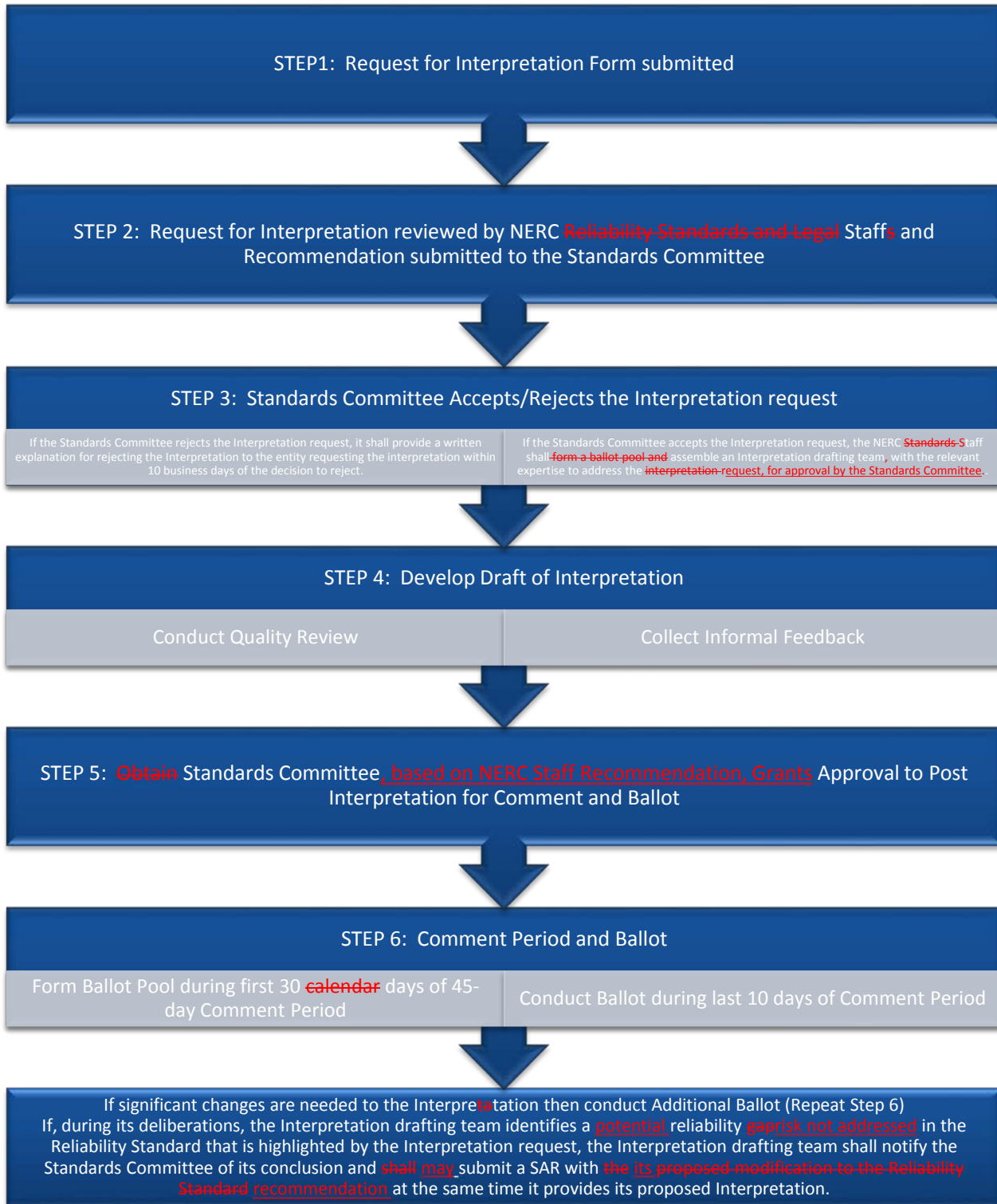
If, during its deliberations, the Interpretation drafting team identifies a potential reliability ~~gap risk not addressed~~ in the Reliability Standard that is highlighted by the Interpretation request, the Interpretation drafting team shall notify the Standards Committee of its conclusion and may submit a SAR with ~~the proposed modification to the Reliability Standard~~its recommendation at the same time it provides its proposed Interpretation.

If the ballot pool approves the Interpretation, ~~The NERC Reliability Standards and Legal Staffs~~ shall review ~~the final Interpretation~~it to determine whether it ~~has met~~meets the ~~requirements criteria~~ for a valid Interpretation. ~~and Based on this review, the NERC Standards and Legal Staffs~~ shall make a recommendation to the NERC Board of Trustees regarding adoption.

~~If approved by its ballot pool, the Interpretation shall be forwarded to the NERC Board of Trustees for adoption.~~<sup>32</sup>—If an Interpretation drafting team ~~proposes recommends a modification to~~modifying a Reliability Standard ~~as part of based on~~ its work in developing ~~an the~~ Interpretation, the Board of Trustees shall be notified of this ~~proposal recommendation~~ at the time the Interpretation is submitted for adoption. Following ~~by the~~ Board of Trustees ~~adoption,~~ NERC Staff ~~the Interpretation~~ shall be filed with the Interpretation for approval by the Applicable Governmental Authorities, and the Interpretation shall become effective when approved by those Applicable

<sup>32</sup> ~~NERC will maintain a record of all interpretations associated with each standard on the Reliability Standards page of the NERC website.~~

Governmental Authorities.<sup>33</sup> The Interpretation shall stand until ~~such time as the Interpretation~~it can be incorporated into a future revision of the Reliability Standard or ~~the Interpretation~~is retired due to a future modification of the applicable Requirement.



<sup>33</sup> NERC will maintain a record of all Interpretations associated with each standard on the Reliability Standards page of the NERC website.

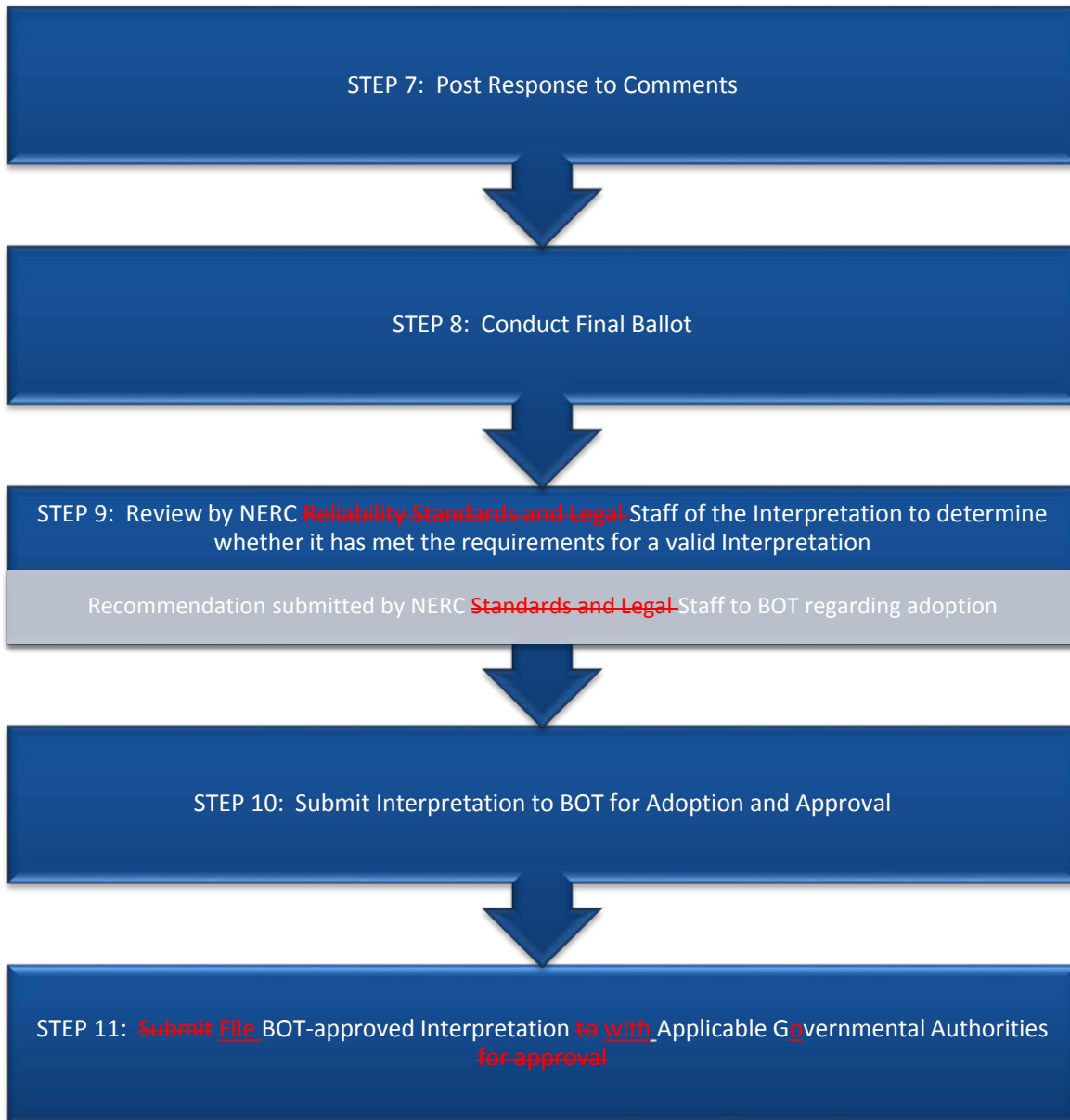


FIGURE 2: Process for Developing an Interpretation

## Section 8.0: Process for Appealing an Action or Inaction

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Any entity that has directly and materially affected interests and that has been or will be adversely affected by any procedural action or inaction related to the development, approval, revision, reaffirmation, retirement or withdrawal of a Reliability Standard, definition, Variance, associated implementation plan, or Interpretation shall have the right to appeal. This appeals process applies only to the NERC Reliability Standards processes as defined in this manual, not to the technical content of the Reliability Standards action.

The burden of proof to show adverse effect shall be on the appellant. Appeals shall be made in writing 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. 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.

### 8.1: Level 1 Appeal

Level 1 is the required first step in the appeals process. The appellant shall submit (to the Director of Standards) a complaint in writing that describes the procedural action or inaction associated with the Reliability Standards process. The appellant shall describe in the complaint the actual or potential adverse impact to the appellant. Assisted by NERC Staff and industry resources as needed, the Director of Standards or its designee 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 shall be made a part of the public record associated with the Reliability Standard.

At any time prior to receiving the written response to the Level 1 Appeal, an appellant may withdraw the Level 1 Appeal with written notice to the Director of Standards.

### 8.2: 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 Director of Standards, the Director of Standards or its designee shall convene a Level 2 Appeals Panel. This panel shall consist of five members 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 NERC Reliability Standards Staff 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 entity that is directly and materially affected by the 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, definition, Variance or Interpretation or implementation plan as these responsibilities remain with the ballot pool and Board of Trustees respectively. The actions of the Level 2 Appeals Panel shall be publicly posted.

At any time prior to the meeting of the Level 2 Appeals Panel, an appellant may withdraw the Level 2 Appeal and accept the results of the Level 1 Appeal by providing written notice to the Director of Standards.

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, definition, Variance or Interpretation. The objection shall 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

shall be filed no later than 30 days after the announcement of the vote by the ballot pool on the Reliability Standard in question.



## Section 9.0: Process for Developing a Variance

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A Variance is an approved, alternative method of achieving the reliability intent of one or more Requirements in a Reliability Standard. No Regional Entity or Bulk Power System owner, operator, or user shall claim a Variance from a NERC Reliability Standard without approval of such a Variance through the relevant Reliability Standard approval procedure for the Variance. Each Variance from a NERC Reliability Standard that is approved by NERC and Applicable Governmental Authorities shall be made an enforceable part of the associated NERC Reliability Standard.

NERC's drafting teams shall aim to develop Reliability Standards with Requirements that apply on a continent-wide basis, minimizing the need for Variances while still achieving the Reliability Standard's reliability objectives. If one or more Requirements cannot be met or complied with as written because of a physical difference in the Bulk Power System or because of an operational difference (such as a conflict with a federally or provincially approved tariff), but the Requirement's reliability objective can be achieved in a different fashion, an entity or a group of entities may pursue a Variance from one or more Requirements in a continent-wide Reliability Standard. It is the responsibility of the entity that needs a Variance to identify that need and initiate the processing of that Variance through the submittal of a SAR<sup>34</sup> that includes a clear definition of the basis for the Variance.

There are two types of Variances – those that apply on an Interconnection-wide basis, and those that apply to one or more entities on less than an Interconnection-wide basis.

### 9.1: Interconnection-wide Variances

Any Variance from a NERC Reliability Standard Requirement that is proposed to apply to Registered Entities within a Regional Entity organized on an Interconnection-wide basis shall be considered an Interconnection-wide Variance and shall be developed through that Regional Entity's NERC-approved Regional Reliability Standards development procedure.

Where a Regional Entity is not organized on an Interconnection-wide basis, but a Variance is proposed to apply to Registered Entities within an Interconnection wholly contained in that Regional Entity's footprint, the Variance may be developed through that Regional Entity's NERC-approved Regional Reliability Standards development procedure.

While an Interconnection-wide Variance may be developed through the associated Regional Reliability Standards development process, Regional Entities are encouraged to work collaboratively with existing continent-wide drafting teams to reduce potential conflicts between the two efforts.

An Interconnection-wide 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 associated NERC Reliability Standard. NERC shall rebuttably presume that an Interconnection-wide Variance from a NERC Reliability Standard that is developed, in accordance with a Regional Reliability Standards development 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.

### 9.2: Variances that Apply on Less than an Interconnection-wide Basis

Any Variance from a NERC Reliability Standard Requirement that is proposed to apply to one or more entities but less than an entire Interconnection (*e.g.*, 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 considered a Variance. A Variance may be requested while a Reliability Standard is under development or a Variance may be requested at any time after a Reliability Standard is approved. Each request for a Variance shall be initiated through a SAR, and processed and

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<sup>34</sup> A sample of a SAR that identifies the need for a Variance and a sample Variance are posted as resources on the Reliability Standards Resources web page.

approved in the same manner as a continent-wide Reliability Standard, using the Reliability Standards development process defined in this manual.

## Section 10.0: Processes for Developing a Reliability Standard Related to a Confidential Issue

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While it is NERC's intent to use its ANSI-accredited Reliability Standards development process for developing its Reliability Standards, NERC has an obligation as the ERO to ensure that there are Reliability Standards in place to preserve the reliability of the interconnected Bulk Power Systems throughout North America. When faced with a national security emergency situation, NERC may use one of the following special processes to develop a Reliability Standard that addresses an issue that is confidential. Reliability Standards developed using one of the following processes shall be called, "special Reliability Standards" and shall not be filed with ANSI for approval as American National Standards.

The NERC Board of Trustees may direct the development of a new or revised Reliability Standard to address a national security situation that involves confidential issues. These situations may involve imminent or long-term threats. In general, these Board directives will be driven by information from the President of the United States of America or the Prime Minister of Canada or a national security agency or national intelligence agency of either or both governments indicating (to the ERO) that there is a national security threat to the reliability of the Bulk Power System.<sup>35</sup>

There are two special processes for developing Reliability Standards responsive to confidential issues – one process where the confidential issue is "imminent," and one process where the confidential issue is "not imminent."

### 10.1: Process for Developing Reliability Standards Responsive to Imminent, Confidential Issues

If the NERC Board of Trustees directs the immediate development of a new or revised Reliability Standard to address a confidential national security emergency situation, the NERC Reliability Standards Staff shall develop a SAR, form a ballot pool (to vote on the Reliability Standard and its implementation plan) and assemble a slate of pre-defined subject matter experts as a proposed drafting team for approval by the Standards Committee's officers. All members of the Registered Ballot Body shall have the opportunity to join the ballot pool.

### 10.2: Drafting Team Selection

The Reliability Standard drafting team selection process shall be limited to just those candidates who have already been identified as having the appropriate security clearance, the requisite technical expertise, and either have signed or are willing to sign a strict confidentiality agreement.

### 10.3: Work of Drafting Team

The Reliability Standard drafting team shall perform all its work under strict security and confidentiality rules. The Reliability Standard drafting team shall develop the new or revised Reliability Standard and its implementation plan.

The Reliability Standard drafting team shall review its work, to the extent practical, as it is being developed with officials from the appropriate governmental agencies in the U.S. and Canada, under strict security and confidentiality rules.

### 10.4: Formal Stakeholder Comment & Ballot Window

The draft Reliability Standard and its implementation plan shall be distributed for a formal comment period, under strict confidentiality rules, only to those entities that are listed in the NERC Compliance Registry to perform one of the functions identified in the applicability section of the Reliability Standard and have identified individuals from

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<sup>35</sup> The NERC Board may direct the immediate development and issuance of a Level 3 (Essential Action) alert and then may also direct the immediate development of a new or revised Reliability Standard.

their organizations that have signed confidentiality agreements with NERC.<sup>36</sup> At the same time, the Reliability Standard shall be distributed to the members of the ballot pool for review and ballot. The NERC Reliability Standards Staff shall not post or provide the ballot pool with any confidential background information.

The drafting team, working with the NERC Reliability Standards Staff, shall consider and respond to all comments, make any necessary conforming changes to the Reliability Standard and its implementation plan, and shall distribute the comments, responses and any revision to the same population as received the initial set of documents for formal comment and ballot.

### **10.5: Board of Trustee Actions**

Each Reliability Standard and implementation plan developed through this process shall be submitted to the NERC Board of Trustees for adoption.

### **10.6: Governmental Approvals**

All approved documents shall be filed for approval with Applicable Governmental Authorities.

### **10.7: Developing a Reliability Standard Responsive to an Imminent, Confidential Issue**

[The following flowchart illustrates the process for developing a Reliability Standard responsive to an imminent, confidential issue:](#)

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<sup>36</sup> In this phase of the process, only the proposed Reliability Standard shall be distributed to those entities expected to comply, not the rationale and justification for the Reliability Standard. Only the special drafting team members, who have the appropriate security credentials, shall have access to this rationale and justification.

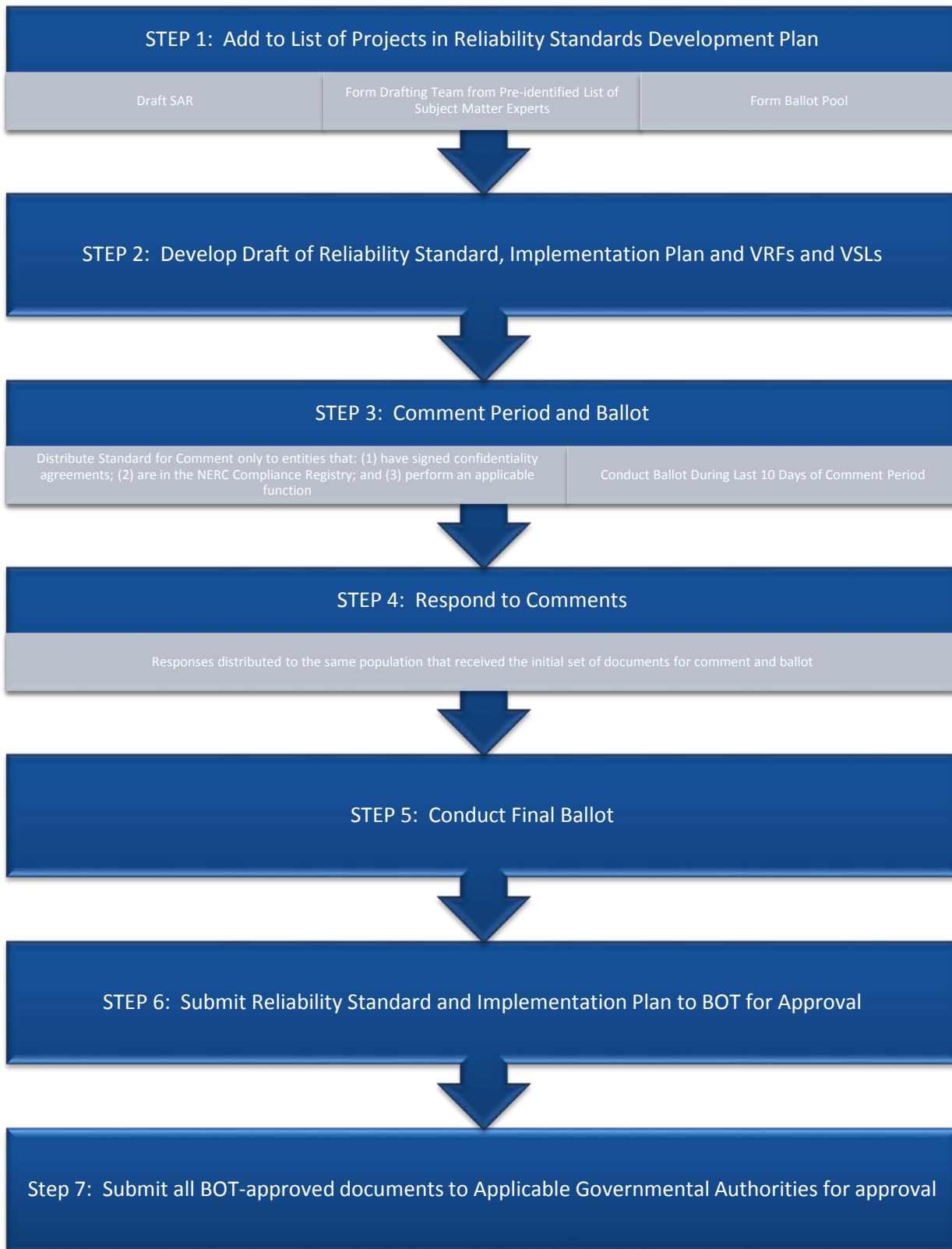


FIGURE 3: Process for Developing a Standard Responsive to an Imminent, Confidential Issue

## **10.8: Process for Developing Reliability Standards Responsive to Non-imminent, Confidential Issues**

If the NERC Board of Trustees directs the immediate development of a new or revised Reliability Standard to address a confidential national security emergency situation, the NERC Reliability Standards Staff shall develop a SAR, form a ballot pool (to vote on the Reliability Standard and its implementation plan) and assemble a slate of pre-defined subject matter experts as a proposed drafting team for approval by the Standards Committee's officers. All members of the Registered Ballot Body shall have the opportunity to join the ballot pool.

## **10.9: Drafting Team Selection**

The drafting team selection process shall be limited to just those candidates who have already been identified as having the appropriate security clearance, the requisite technical expertise, and either have signed or are willing to sign a strict confidentiality agreement.

## **10.10: Work of Drafting Team**

The drafting team shall perform all its work under strict security and confidentiality rules. The Reliability Standard drafting team shall develop the new or revised Reliability Standard and its implementation plan.

The drafting team shall review its work, to the extent practical, as it is being developed with officials from the Applicable Governmental Authorities, under strict security and confidentiality rules.

## **10.11: Formal Stakeholder Comment & Ballot Window**

The draft Reliability Standard and its implementation plan shall be distributed for a formal comment period, under strict confidentiality rules, only to those entities that are listed in the NERC Compliance Registry to perform one of the functions identified in the applicability section of the Reliability Standard and have identified individuals from their organizations that have signed confidentiality agreements with NERC.<sup>37</sup> At the same time, the Reliability Standard shall be distributed to the members of the ballot pool for review and ballot. The NERC Reliability Standards Staff shall not post or provide the ballot pool with any confidential background information.

## **10.12: Revisions to Reliability Standard, Implementation Plan and VRFs and VSLs**

The drafting team, working with the NERC Reliability Standards Staff, shall work to refine the Reliability Standard, implementation plan and VRFs and VSLs in the same manner as for a new Reliability Standard following the "normal" Reliability Standards development process described earlier in this manual with the exception that distribution of the comments, responses, and new drafts shall be limited to those entities that are in the ballot pool and those entities that are listed in the NERC Compliance Registry to perform one of the functions identified in the applicability section of the Reliability Standard and have identified individuals from their organizations that have signed confidentiality agreements with NERC.

## **10.13: Board of Trustee Action**

Each Reliability Standard, implementation plan, and the associated VRFs and VSLs developed through this process shall be submitted to the NERC Board of Trustees for adoption.

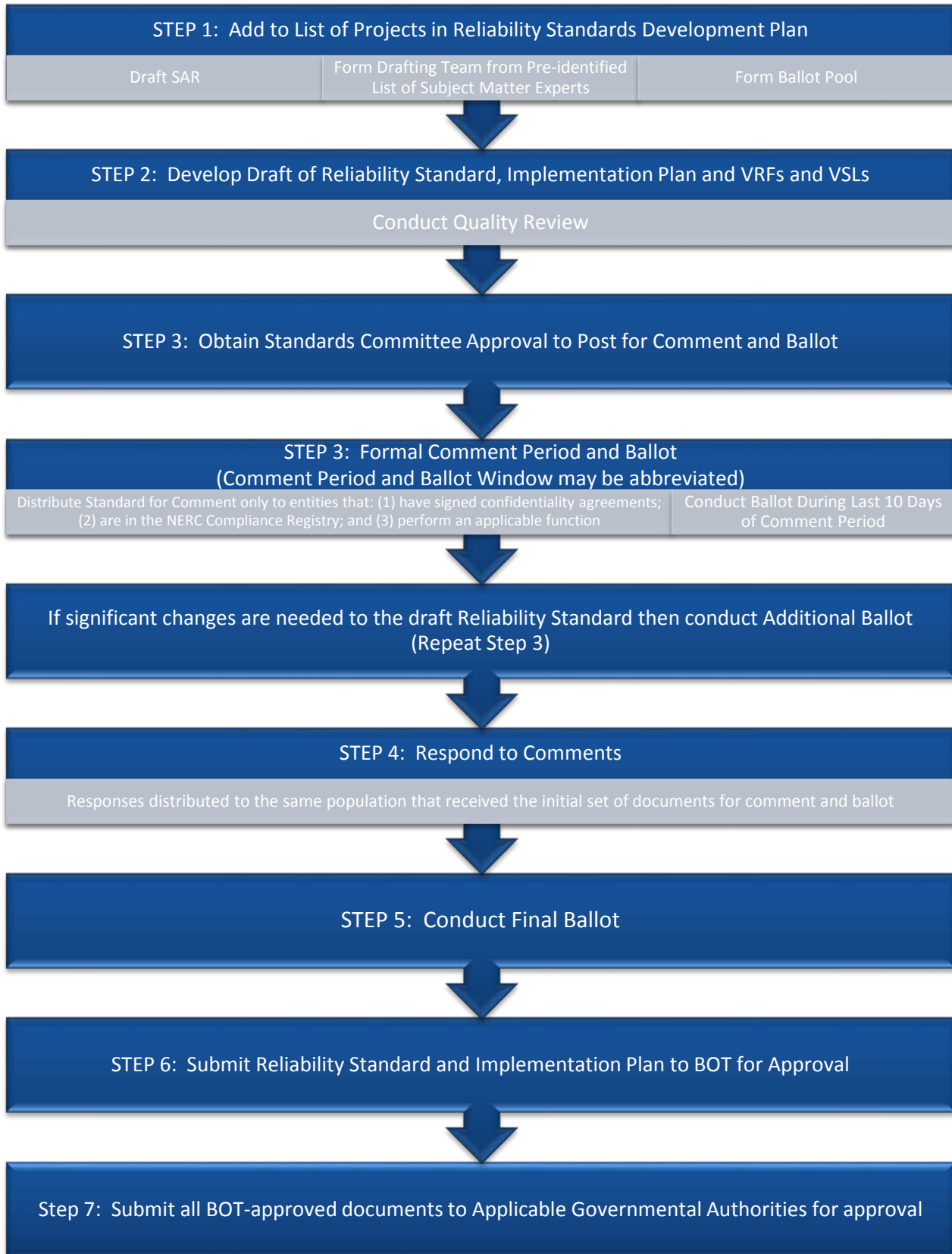
## **10.14: Governmental Approvals**

All BOT-approved documents shall be filed for approval with Applicable Governmental Authorities.

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<sup>37</sup> In this phase of the process, only the proposed Reliability Standard shall be distributed to those entities expected to comply, not the rationale and justification for the Reliability Standard. Only the special drafting team members, who have the appropriate security credentials, shall have access to this rationale and justification.

**Developing a Reliability Standard Responsive to a Non-imminent, Confidential Issue**



**FIGURE 4: Developing a Standard Responsive to a Non-Imminent, Confidential Issue**

## Section 11.0: Process for Approving Posting Supporting Technical Documents Alongside an Approved Reliability Standard

The NERC Standards Committee oversees the development and approval of technical documents identified as supporting documents to Reliability Standards approved by the Applicable Governmental Authority. The following types of documents are samples of the types of supporting documents that may be developed to enhance stakeholder understanding and implementation of a Reliability Standard. These Supporting technical documents may explain or facilitate implementation understanding of Reliability Standards but do not themselves contain mandatory Requirements subject to compliance review. Any mandatory Requirements ~~that are mandatory~~ shall be incorporated into the Reliability Standard in the Reliability Standard development process. Documents that contain specific compliance approaches or examples are not considered supporting technical documents under this Section.

~~While most supporting documents are developed by the standard drafting team working to develop the associated Reliability Standard, any entity may develop a supporting document associated with a Reliability Standard. This Section provides the process by which any individual or entity may propose a supporting technical document to an approved Reliability Standard. The process outlined in this section is designed so each supporting document receives stakeholder review to verify the accuracy of the technical content prior to being posted as a supporting technical document to an approved Reliability Standard.~~

~~During the standard development process, standard drafting teams may develop and post supporting technical documents to the pertinent project page, in accordance with Section 4.0. Following approval of the Reliability Standard, those documents may be posted alongside an approved Reliability Standard the standard without requiring separate Standards Committee authorization under this Section.~~

~~The Standards Committee shall authorize the posting of all supporting references<sup>38</sup> that are linked to an approved Reliability Standard. Prior to granting approval to post a supporting reference with a link to the associated Reliability Standard, the Standards Committee shall verify The process outlined in this section is designed so each that the supporting document has had receives stakeholder review to verify the accuracy of the technical content prior to being posted as a supporting technical document to an approved Reliability Standard. While the Standards Committee has the authority to approve the posting of each such reference, stakeholders, not the Standards Committee, verify the accuracy of the document's contents.~~

### 11.1: Types of Supporting Technical Documents

The types of supporting technical documents that may be approved for posting alongside an approved Reliability Standard under this Section are listed below.

Type of Document	Description
Reference	Descriptive, technical information, analysis or explanatory information to support the understanding <del>and interpretation</del> of an <u>approved</u> Reliability Standard. <del>A standard reference may support the implementation of a Reliability Standard or satisfy another purpose consistent with the reliability and market interface principles.</del>

<sup>38</sup> The Standards Committee's Procedure for Approving the Posting of Reference Documents is posted on the Reliability Standards Resources web page.



Guideline	<del>Recommended process that identifies a method of meeting a Requirement under specific conditions.</del>
Supplement	<del>Data forms, pro forma documents, and associated instructions that support the implementation of a Reliability Standard.</del>
Training Material	<del>Documents that support the implementation of a Reliability Standard.</del>
Procedure	<del>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.</del>
Lessons Learned	<del>Documents designed to convey lessons learned related to an approved Reliability Standard. A Lessons Learned document cannot establish new Requirements or modify Requirements in any existing Reliability Standard.</del>
White Paper	<del>An informal paper stating a position or concept. A white paper may <u>have been</u> used to propose preliminary concepts for a Reliability Standard or <u>one of the documents above</u> a Reference document.</del>

~~Documents that contain specific compliance approaches or examples are not considered supporting technical documents under this Section.~~

## 11.2: Process for Proposing and Evaluating Supporting Technical Documents

Proposals for supporting technical documents to approved Reliability Standards shall be submitted to the NERC Reliability Standards Staff.

NERC Staff shall conduct a review of the proposed supporting technical document. In performing this review, NERC Staff may consult any technical resources it deems appropriate. The purpose of this review is to determine whether the proposed supporting technical document meets the following criteria:

1. the document is a type of supporting technical document subject to this Section, as described in Section 11.1;
- 1.2. the document is consistent with the purpose and intent of the associated Reliability Standard; and
2. the document has received adequate stakeholder review to assess its technical adequacy, such as through a NERC technical committee review process, public comment period(s) held during the development of the associated Reliability Standard, or other stakeholder review process.
- 3.

If NERC Staff determines that the proposed supporting technical document meets all three criteria specified above, NERC Staff shall submit the proposed supporting technical document to the Standards Committee as specified in Section 11.3 below.

If NERC Staff determines that the proposed supporting technical document does not meet the first or second criterion specified above, NERC Staff shall notify the submitter, in writing, that the document will not be forwarded to the Standards Committee for consideration to be posted as a supporting technical document under this Section. This

notification shall include an explanation of the basis for the decision. NERC Staff shall also notify the Standards Committee of its determination at the next regularly-scheduled Standards Committee meeting.

If NERC Staff determines that the proposed supporting technical document meets the first and second criteria, but has not yet received adequate stakeholder review under the third criterion, NERC Staff shall make a recommendation to the Standards Committee to authorize posting the proposed supporting technical document for stakeholder review to verify the accuracy of the technical content. This initial comment period shall be for 45 days, unless the Standards Committee directs otherwise. Upon conclusion of the comment period, NERC Staff shall compile the comments and provide them to the submitter for consideration. If the submitter modifies the proposed supporting technical document based on stakeholder comments, NERC Staff may post the document for additional comment periods to provide for sufficient technical review.

### **11.3: Approving a Supporting Technical Document**

After determining that the proposed supporting technical document meets the three criteria specified in Section 11.2, NERC Staff shall present the supporting technical document to the NERC Standards Committee with a recommendation regarding whether the Standards Committee should approve posting the supporting technical document with the approved Reliability Standard on the pertinent NERC website page(s).

## Section 12.0: Process for Correcting Errata

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From time to time, an error may be discovered in a Reliability Standard. Such errors may be corrected (i) following a Final Ballot prior to Board of Trustees adoption, (ii) following Board of Trustees adoption prior to filing with Applicable Governmental Authorities; and (iii) following filing with Applicable Governmental Authorities. If the Standards Committee agrees that the correction of the error does not change the scope or intent of the associated Reliability Standard, and agrees that the correction has no material impact on the end users of the Reliability Standard, then the correction shall be filed for approval with Applicable Governmental Authorities as appropriate. The NERC Board of Trustees has resolved to concurrently approve any errata approved by the Standards Committee.

## Section 13.0: Process for Conducting Periodic Reviews of Reliability Standards

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All Reliability Standards shall be reviewed at least once every ten years from the effective date of the Reliability Standard or the date of the latest Board of Trustees adoption to a revision of the Reliability Standard, whichever is later. If a Reliability Standard is approved by ANSI as an American National Standard, it shall be reviewed at least once every five years from the effective date of the Reliability Standard or the date of the latest Board of Trustees adoption to a revision of the Reliability Standard, whichever is later.

The *Reliability Standards Development Plan* shall include projects that address this five or ten-year review of Reliability Standards.

- If a Reliability Standard is nearing its five or ten-year review and has issues that need resolution, then the *Reliability Standards Development Plan* shall include a project for the complete review and associated revision of that Reliability Standard that includes addressing all outstanding governmental directives, all approved Interpretations, and all unresolved issues identified by stakeholders.
- If a Reliability Standard is nearing its five or ten-year review and there are no outstanding governmental directives, Interpretations, or unresolved stakeholder issues associated with that Reliability Standard, then the *Reliability Standards Development Plan* shall include a project solely for the ~~“five-year periodic review”~~ of that Reliability Standard.

For a project that is focused solely on the ~~five-year periodic~~ review, the Standards Committee shall appoint a review team of subject matter experts to review the Reliability Standard and recommend whether the ~~American National Standard Institute-approved~~ Reliability Standard should be reaffirmed, revised, or withdrawn. Each review team shall post its recommendations for a ~~45-calendar~~ day formal stakeholder comment period and shall provide those stakeholder comments to the Standards Committee for consideration.

- If a review team recommends reaffirming a Reliability Standard, the Standards Committee shall submit the reaffirmation to the Board of Trustees for adoption and then to Applicable Governmental Authorities for approval. Reaffirmation does not require approval by stakeholder ballot.
- If a review team recommends modifying, or retiring a Reliability Standard, the team shall develop a SAR with such a proposal and the SAR shall be submitted to the Standards Committee for prioritization as a new project. Each existing Reliability Standard recommended for modification, or retirement shall remain in effect in accordance with the associated implementation plan until the action to modify or withdraw the Reliability Standard is approved by its ballot pool, adopted by the Board of Trustees, and approved by Applicable Governmental Authorities.

In the case of reaffirmation of a Reliability Standard, the Reliability Standard shall remain in effect until the next five or ten-year review or until the Reliability Standard is otherwise modified or withdrawn by a separate action.

## Section 14.0: Public Access to Reliability Standards Information

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### 14.1: Online Reliability Standards Information System

The NERC Reliability Standards Staff shall maintain an electronic copy of information regarding currently proposed and currently in effect Reliability Standards. This information shall include current Reliability Standards in effect, proposed revisions to Reliability Standards, and proposed new Reliability 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.

### 14.2: Archived Reliability Standards Information

The NERC Staff shall maintain a historical record of Reliability Standards information that is no longer maintained online. 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 Reliability Standard was no longer in effect. Archived records of Reliability Standards information shall be available electronically within 30 days following the receipt by the NERC Reliability Standards Staff of a written request.

## Section 15.0: Process for Updating Standard Processes

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### 15.1: Requests to Revise the Standard Processes Manual

Any person or entity may submit a request to modify one or more of the processes contained within this manual. The Standards Committee shall oversee the handling of each request. The Standards Committee shall prioritize all requests, merge related requests, and respond to each sponsor within 30 ~~calendar~~ days.

The Standards Committee shall post the proposed revisions for a 45-~~(calendar)~~ day formal comment period. Based on the degree of consensus for the revisions, the Standards Committee shall:

- Submit the revised process or processes for ballot pool approval;
- Repeat the posting for additional inputs after making changes based on comments received;
- Remand the proposal to the sponsor for further work; or
- 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 Reliability Standard, including the use of an Additional 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 submit to the Board a description of the basis for the changes, a summary of the comments received, and any minority views expressed in the comment and ballot process. The proposed revisions shall not be effective until approved by the NERC Board of Trustees and Applicable Governmental Authorities.

## Section 16.0: Waiver

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While it is NERC's intent to use its ANSI-accredited Reliability Standards development process for developing its Reliability Standards, NERC may need to develop a new or modified Reliability Standard, definition, Variance, ~~Interpretation~~, or implementation plan under specific time constraints (such as to meet a time constrained regulatory directive) or to meet an urgent reliability issue such that there isn't sufficient time to follow all the steps in the normal Reliability Standards development process.

The Standards Committee may waive any of the provisions contained in this manual for good cause shown, but limited to the following circumstances:

- In response to a national emergency declared by the United States or Canadian government that involves the reliability of the Bulk Electric System or cyber attack on the Bulk Electric System;
- Where necessary to meet regulatory deadlines;
- Where necessary to meet deadlines imposed by the NERC Board of Trustees; or
- Where the Standards Committee determines that a modification to a proposed Reliability Standard or its Requirement(s), a modification to a defined term, a modification to an ~~interpretation~~Interpretation, or a modification to a ~~variance~~Variance has already been vetted by the industry through the standards development process or is so insubstantial that developing the modification through the processes contained in this manual will add significant time delay.

In no circumstances shall this provision be used to modify the requirements for achieving quorum or the voting requirements for approval of a standard.

A waiver request may be submitted to the Standards Committee by any entity or individual, including NERC committees or subgroups and NERC Staff. Prior to consideration of any waiver request, the Standards Committee must provide five business days' notice to stakeholders.

Action on the waiver request will be included in the minutes of the Standards Committee. ~~Following the approval of the Standards Committee to waive any provision of the Standard Process Manual, the Standards Committee will report this decision to the Standards Oversight and Technology Committee.~~<sup>29</sup> Actions taken pursuant to an approved waiver request will be posted on the Standard Project page and included in the next project announcement.

In addition, the Standards Committee shall report the exercise of this waiver provision to the Board of Trustees prior to adoption of the related Reliability Standard, Interpretation, definition or Variance.

Reliability Standards developed as a result of a waiver of any provision of the Standard Processes Manual shall not be filed with ANSI for approval as American National Standards.

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~~<sup>29</sup> Any entity may appeal a waiver decision or any other procedural decision by the Standards Committee pursuant to Section 8.0 of the NERC Standard Processes Manual.~~

## **Exhibit B**

### **Summary of Development History and Complete Record of Development**



## **Summary of Development History**

## Summary of Development History

The development record for the proposed revisions to Appendix 3A to the NERC Rules of Procedure, the Standard Processes Manual (“SPM”), is summarized below.

### **I. Background and Summary of Proposed Revisions**

Under the oversight of the NERC Standards Committee, a small group consisting of Standards Committee Process Subcommittee members and NERC staff have reviewed specific sections of the SPM for the purpose of proposing revisions to clarify and improve existing language and standard processes as well as to update the document. Below is a section-by-section summary of the proposed revisions to the SPM:

#### **Section 1.0: Introduction**

Revisions are proposed to clarify and streamline language. A provision is added to clarify that the term “days”, unless otherwise specified, refers to calendar days (corresponding changes are also made throughout the document).

#### **Section 2.0: Elements of a Reliability Standard**

Updates were made to reflect the current definition of Reliability Standard and the components of a Reliability Standard.

#### **Section 3.0: Reliability Standards Program Organization**

Revisions are proposed to clarify and streamline language, as well as to maintain consistency with other SPM sections. Revisions are also proposed to specify that the NERC Director of Standards may delegate authority to perform certain responsibilities under the SPM.

#### **Section 4.0: Process for Developing, Modifying, Withdrawing or Retiring a Reliability Standard**

Section 4.4.2 is revised to reflect current practice that drafting teams may develop and post technical documents to support draft Reliability Standards or related elements. Revisions are proposed to the language regarding posting periods to improve readability and organization.

#### **Section 6.0: Processes for Conducting Field Tests and Collecting and Analyzing Data**

##### ***(Proposed new title: Process for Conducting Field Tests)***

Revisions are proposed to create a more detailed process for field tests supporting Reliability Standards development. Under this process, NERC technical committees with relevant technical expertise will have a formal role in the development, approval,

and oversight of field tests. Provisions are made for ongoing communication and transparency and for actions that must be taken in the event a field test is suspended or terminated due to reliability concerns.

**Section 7.0: Process for Developing an Interpretation**

Revisions are proposed to improve organization and clarify language regarding what constitutes a valid Interpretation and the circumstances under which a request for Interpretation may be rejected.

**Section 8.0: Process for Appealing an Action or Inaction**

Revisions are proposed to specify that an appellant may withdraw its Level 1 or Level 2 appeal by providing written notice to the NERC Director of Standards.

**Section 9.0: Process for Developing a Variance**

Revisions are proposed to clarify that Variances that are proposed to apply only to the Quebec Interconnection may be developed through the Northeast Power Coordinating Council Regional Reliability Standards development procedure.

**Section 10.0: Processes for Developing a Reliability Standard Related to a Confidential Issue**

In response to comments, explanatory text is added between the header and flowchart appearing under Section 10.7.

**Section 11.0: Process for Approving Supporting Documents**

***(Proposed new title: Process for Posting Supporting Technical Documents Alongside an Approved Reliability Standard)***

Revisions are proposed to clarify that the scope of Section 11.0 is to define a process for approving the posting of supporting technical documents to approved Reliability Standards (i.e., Reliability Standards approved by applicable governmental authorities) and to define the criteria to be used for reviewing such documents before they may be approved for posting.

**Section 13.0: Process for Conducting Periodic Reviews of Reliability Standards**

Revisions are proposed to clarify the terminology used to refer to periodic reviews.

**Section 16.0: Waiver**

Updates are made to reflect the dissolution of the Standards Oversight and Technology Committee.

In addition to the revisions listed above, the SPM document has been reformatted into the current NERC template, and typographical and capitalization errors have been corrected throughout.

## II. Summary of Development

### **A. Informal Comment Period – Section 6.0 (Process for Conducting Field Tests)**

Proposed revisions to Section 6.0 were posted for a 30-day informal comment period from September 29, 2015 through October 28, 2015. Most commenters supported the proposed revisions, particularly the formal inclusion of the NERC technical committees in the field test process, but indicated that further work should be done to clarify roles and responsibilities for developing, approving, conducting, and overseeing field tests.<sup>1</sup>

### **B. Formal Comment Period and Initial Ballot - SPM**

A revised draft of the SPM was posted for a 45-day formal comment period from March 20, 2017 through May 3, 2017 and a parallel 10-day initial ballot from April 24, 2017 through May 3, 2017. The revised draft included changes to Section 6.0 in response to comments from the previous comment period. In addition to changes in Section 6.0, revisions for Sections 2.1 (Definition of a Reliability Standard), 3.7 (Governmental Authorities), 7.0 (Process for Developing an Interpretation), 8.0 (Process for Appealing an Action or inaction) and 11.0 (Process for Approving Supporting Documents) were also posted. The initial ballot reached quorum at 78.65 percent with an approval rating of 64.72 percent. There were 42 sets of responses including comments from approximately 129 different people from approximately 92 companies representing 10 of the Industry Segments.<sup>2</sup>

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<sup>1</sup> NERC, *Comments Received*, Standard Processes Manual – Section 6 (Oct. 2015), [https://www.nerc.com/pa/Stand/Revisions%20to%20the%20NERC%20Standard%20Processes%20Manual%20SP/SPM%20Comments\\_RAW\\_102915.pdf](https://www.nerc.com/pa/Stand/Revisions%20to%20the%20NERC%20Standard%20Processes%20Manual%20SP/SPM%20Comments_RAW_102915.pdf).

<sup>2</sup> NERC, *Consideration of Comments*, Standard Processes Manual (May 2017), [https://www.nerc.com/pa/Stand/Revisions%20to%20the%20NERC%20Standard%20Processes%20Manual%20SP/SPM\\_ConsiderationofComments\\_June2018.pdf](https://www.nerc.com/pa/Stand/Revisions%20to%20the%20NERC%20Standard%20Processes%20Manual%20SP/SPM_ConsiderationofComments_June2018.pdf)

### **C. Second Formal Comment Period and Additional Ballot**

A revised SPM draft was posted for a second 45-day formal comment period from June 25, 2018 through August 9, 2018 and a 10-day parallel additional ballot from July 31, 2018 through August 10, 2018.<sup>3</sup> This draft included changes to the aforementioned sections and changes and updates in other sections. The additional ballot achieved an 81.95 percent approval rating with 80.34 percent quorum. There were 30 sets of responses including comments from approximately 83 different people from approximately 64 companies representing 10 of the Industry Segments.<sup>4</sup>

### **D. Final Ballot and Results**

The final draft of the revised SPM was posted for a 10-day final ballot from October 17, 2018 through October 29, 2018. The ballot reached quorum at 85.96 percent of the ballot pool, receiving support from 81.61 percent of the voters.<sup>5</sup>

### **E. Board of Trustees Adoption**

The NERC Board of Trustees approved the revised SPM on November 7, 2018.<sup>6</sup>

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<sup>3</sup> The ballot was extended one day to reach quorum.

<sup>4</sup> NERC, *Consideration of Comments*, Standard Processes Manual (Aug. 2017), [https://www.nerc.com/pa/Stand/Revisions%20to%20the%20NERC%20Standard%20Processes%20Manual%20SP/SPM\\_Consideration\\_of\\_Comments\\_Oct2018.pdf](https://www.nerc.com/pa/Stand/Revisions%20to%20the%20NERC%20Standard%20Processes%20Manual%20SP/SPM_Consideration_of_Comments_Oct2018.pdf).

<sup>5</sup> The proposed revisions to the SPM final ballot results are available at <https://sbs.nerc.net/BallotResults/Index/309>.

<sup>6</sup> NERC, *Board of Trustees Agenda Package*, Agenda Item 8b (Revisions to NERC ROP), Attachments 2A (Appendix 3A, Standard Processes Manual version 4 (clean) and 2B (Appendix 3A, Standard Processes Manual (redline)), [https://www.nerc.com/gov/bot/Agenda%20highlights%20and%20Mintues%202013/Board\\_Of\\_Trustees\\_November\\_7\\_2018\\_Meeting\\_Agenda\\_Package.pdf](https://www.nerc.com/gov/bot/Agenda%20highlights%20and%20Mintues%202013/Board_Of_Trustees_November_7_2018_Meeting_Agenda_Package.pdf).

## **Complete Record of Development**

## Revisions to the NERC Standard Processes Manual

### Status

The final ballot for the revised sections of the **NERC Standard Processes Manual** concluded at **8 p.m. Eastern, Monday, October 29, 2018.**

### Background

Revisions are proposed to the NERC Standard Processes Manual, Appendix 3A to the Rules of Procedure. The currently-effective SPM was approved by the NERC Board of Trustees in February 2013.

### Purpose

The Field Test language in Section 6.0 is revised to increase coordination between the Standards Committee and the technical committees when field tests are conducted. Revisions are proposed to Section 7.0 to clarify language and streamline the process for posting and balloting Interpretations. Revisions to Section 8.0 are proposed to allow an entity to withdraw its appeal by providing written notice. Revisions are proposed to Section 11.0 to clarify the scope of this section, define supporting documents, and incorporate a detailed process for vetting proposed supporting documents. Additionally, revisions are made in other sections to update language and improve clarity.

Draft	Actions	Dates	Results	Consideration of Comments
<b>Final</b>  <b>Standard Processes Manual (SPM)</b> <a href="#">Clean (27)</a>   <a href="#">Redline to Currently Effective (28)</a>   <a href="#">Redline to Last Posted (29)</a>	Final Ballot  <a href="#">Info (30)</a>  <a href="#">Vote</a>	10/17/18 – 10/29/18	<a href="#">Ballot Results (31)</a>	
<b>Draft 2</b>  <b>Standard Processes Manual (SPM)</b> <a href="#">Clean (17)</a>   <a href="#">Redline to Current Effective (18)</a>   <a href="#">Redline to Last Posted (19)</a>  <b>Supporting Materials</b>  <a href="#">Unofficial Comment Form (Word) (20)</a>  <a href="#">Summary of Proposed Revisions (21)</a>	Additional Ballot  <a href="#">Info (22)</a>  <a href="#">Vote</a>	07/31/18 - 08/09/18 *Ballot extended an additional day to reach quorum*	<a href="#">Ballot Results (23)</a>	
	Comment Period  <a href="#">Info (24)</a>  <a href="#">Submit Comments</a>	06/25/18 - 08/09/18	<a href="#">Comments Received (25)</a>	<a href="#">Consideration of Comments (26)</a>
<b>Draft 1</b>  <b>Standard Processes Manual (Sections 2.1, 3.7, 6.0, 7.0, 8.0 &amp; 11.0)</b> <a href="#">Clean (7)</a>   <a href="#">Redline (8)</a>  <b>Supporting Materials</b> <a href="#">Unofficial Comment Form (Word) (9)</a>	Initial Ballot  <a href="#">Updated Info (11)</a>  <a href="#">Info (12)</a>  <a href="#">Vote</a>	04/24/17 – 05/03/17	<a href="#">Ballot Results (13)</a>	

<a href="#">Summary of Proposed Revisions (10)</a>	<p>Comment Period</p> <p><a href="#">Info (14)</a></p> <p><a href="#">Submit Comments</a></p>	<p>03/20/17 – 05/03/17</p>	<p><a href="#">Comments Received (15)</a></p>	<p><a href="#">Consideration of Comments (16)</a></p>
	<p><a href="#">Join Ballot Pool</a></p>	<p>03/20/17 – 04/18/17</p>		
<p><b>Standard Processes Manual (SPM) – Section 6</b></p> <p><a href="#">Clean (1)</a>   <a href="#">Redline (2)</a></p> <p><b>Supporting Materials</b></p> <p><a href="#">Unofficial Comment Form (Word) (3)</a></p> <p><a href="#">Summary of Proposed Revisions (4)</a></p>	<p>Comment Period</p> <p><a href="#">Info (5)</a></p> <p><a href="#">Submit Comments</a></p>	<p>09/29/15 – 10/28/15</p>	<p><a href="#">Comments Received (6)</a></p>	



# NERC

NORTH AMERICAN ELECTRIC  
RELIABILITY CORPORATION

## Standard Processes Manual

VERSION TBD

Effective: TBD

to ensure  
the reliability of the  
bulk power system

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## Section 1.0: Introduction

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### 1.1: Authority

This manual 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 manual with Applicable Governmental Authorities for approval as an ERO document. When approved, the manual is appended to and provides implementation detail in support of the ERO Rules of Procedure Section 300 — Reliability Standards Development.

Capitalized terms not otherwise defined herein, shall have the meaning set forth in the Definitions Used in the Rules of Procedure, Appendix 2 to the Rules of Procedure.

### 1.2: Scope

The policies and procedures in this manual shall govern the activities of the North American Electric Reliability Corporation ("NERC") related to the development, approval, revision, reaffirmation, and withdrawal of Reliability Standards, Interpretations, Violation Risk Factors ("VRFs"), Violation Severity Levels ("VSLs"), definitions, Variances, and reference documents developed to support standards for the Reliable Operation and planning of the North American Bulk Power Systems.

This manual also addresses the role of the Standards Committee, drafting team and ballot body in the development and approval of Compliance Elements in conjunction with standard development.

### 1.3: Background

NERC is a nonprofit corporation formed for the purpose of becoming the North American ERO. NERC works with all stakeholder segments of the electric industry, including electricity users, to develop Reliability Standards for the reliability planning and Reliable Operation of the North American Bulk Power Systems. 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 Reliability 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 ERO effective July 2006. *North American Electric Reliability Corp.*, 116 FERC ¶ 61,062, *order on reh'g and compliance*, 117 FERC ¶ 61,126 (2006), *order on compliance*, 118 FERC ¶ 61,030 (2007).

### 1.4: Essential Attributes of NERC's Reliability Standards Processes

NERC's Reliability Standards development processes provide reasonable notice and opportunity for public comment, due process, openness, and balance of interests in developing a proposed Reliability Standard consistent with the attributes necessary for American National Standards Institute ("ANSI") accreditation. The same attributes, as well as transparency, consensus-building, and timeliness, are also required under the ERO Rules of Procedure Section 304.

- ***Open Participation***

Participation in NERC's Reliability Standards development balloting and approval processes shall be open to all entities materially affected by NERC's Reliability Standards. There shall be no financial barriers to participation in NERC's Reliability Standards balloting and approval processes. Membership in the Registered Ballot Body shall not be conditional upon membership in any organization, nor unreasonably restricted on the basis of technical qualifications or other such requirements.

- ***Balance***

NERC's Reliability Standards development processes shall not be dominated by any two interest categories, individuals, or organizations and no single interest category, individual, or organization is able to defeat a matter.

NERC shall use a voting formula that allocates each industry Segment an equal weight in determining the final outcome of any Reliability Standard action. The Reliability Standards development processes shall have a balance of interests. Participants from diverse interest categories shall be encouraged to join the Registered Ballot Body and participate in the balloting process, with a goal of achieving balance between the interest categories. The Registered Ballot Body serves as the consensus body voting to approve each new or proposed Reliability Standard, definition, Variance, and Interpretation.

- ***Coordination and harmonization with other American National Standards activities***

NERC is committed to resolving any potential conflicts between its Reliability Standards development efforts and existing American National Standards and candidate American National Standards.

- ***Notification of standards development***

NERC shall publicly distribute a notice to each member of the Registered Ballot Body, and to each stakeholder who indicates a desire to receive such notices, for each action to create, revise, reaffirm, or withdraw a Reliability Standard, definition, or Variance; and for each proposed Interpretation. Notices shall be distributed electronically, with links to the relevant information, and notices shall be posted on NERC's Reliability Standards web page. All notices shall identify a readily available source for further information.

- ***Transparency***

The process shall be transparent to the public.

- ***Consideration of views and objections***

Drafting teams shall give prompt consideration to the written views and objections of all participants as set forth herein. Drafting teams shall make an effort to resolve each objection that is related to the topic under review.

- ***Consensus Building***

The process shall build and document consensus for each Reliability Standard, both with regard to the need and justification for the Reliability Standard and the content of the Reliability Standard.

- ***Consensus vote***

NERC shall use its voting process to determine if there is sufficient consensus to approve a proposed Reliability Standard, definition, Variance, or Interpretation. NERC shall form a ballot pool for each Reliability Standard action from interested members of its Registered Ballot Body. Approval of any Reliability Standard action requires:

- A quorum, which is established by at least 75% of the members of the ballot pool submitting a response excluding unreturned ballots; and
- A two-thirds majority of the weighted Segment votes cast shall be affirmative. The number of votes cast during all stages of balloting except the final ballot is the sum of affirmative and negative votes with comments, excluding abstentions, non-responses, and negative votes without comments. During the final ballot, the number of votes cast is the sum of affirmative and negative votes, excluding abstentions and non-responses.

- ***Timeliness***  
Development of Reliability Standards shall be timely and responsive to new and changing priorities for reliability of the Bulk Power System.
- ***Metric Policy***  
The International System of units is the preferred units of measurement in NERC Reliability Standard. However, because NERC's Reliability Standards apply in Canada, the United States and portions of Mexico, where applicable, measures are provided in both the metric and English units.

### **1.5: Ethical Participation**

All participants in the NERC Standard development process, including drafting teams, quality reviewers, Standards Committee members and members of the Registered Ballot Body, are obligated to act in an ethical manner in the exercise of all activities conducted pursuant to the terms and conditions of the Standard Processes Manual and the standard development process.

## Section 2.0: Elements of a Reliability Standard

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### 2.1: Definition of a Reliability Standard

A Reliability Standard includes a set of Requirements that define specific obligations of owners, operators, and users of the North American Bulk Power Systems. The Requirements shall be material to reliability and measurable. 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 the term does not include any requirement to enlarge Bulk Power System Facilities or to construct new transmission capacity or generation capacity. A Reliability Standard shall not be effective in the United States until approved by the Federal Energy Regulatory Commission and shall not be effective in other jurisdictions until made or allowed to become effective by the Applicable Governmental Authority. *See* Appendix 2 to the NERC Rules of Procedure, Definitions Used in the Rules of Procedure.

### 2.2: Reliability Principles

NERC Reliability Standards are based on certain reliability principles that define the foundation of reliability for North American Bulk Power Systems.<sup>1</sup> Each Reliability Standard shall enable or support one or more of the reliability principles, thereby ensuring that each Reliability 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 Reliability Standard undermines reliability through an unintended consequence.

### 2.3: Market 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.<sup>2</sup> 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.

### 2.4: Types of Reliability Requirements

Generally, each Requirement of a Reliability Standard shall identify what Functional Entities shall do, and under what conditions, to achieve a specific reliability objective. Although Reliability Standards all follow this format, several types of Requirements may exist, each with a different approach to measurement.

- **Performance-based Requirements** define a specific reliability objective or outcome achieved by one or more entities that has a direct, observable effect on the reliability of the Bulk Power System, *i.e.* an effect that can be measured using power system data or trends. In its simplest form, a performance-based requirement has four components: *who*,

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<sup>1</sup> The intent of the set of NERC Reliability Standards is to deliver an adequate level of reliability. The latest set of reliability principles and the latest set of characteristics associated with an adequate level of reliability are posted on the Reliability Standards Resources web page.

<sup>2</sup> The latest set of market interface principles is posted on the Reliability Standards Resources web page.

*under what conditions (if any), shall perform what action, to achieve what particular result or outcome.*

- **Risk-based Requirements** define actions by one or more entities that reduce a stated risk to the reliability of the Bulk Power System and can be measured by evaluating a particular product or outcome resulting from the required actions. A risk-based reliability requirement should be framed as: *who, under what conditions (if any), shall perform what action, to achieve what particular result or outcome that reduces a stated risk to the reliability of the Bulk Power System.*
- **Capability-based Requirements** define capabilities needed by one or more entities to perform reliability functions and can be measured by demonstrating that the capability exists as required. A capability-based reliability requirement should be framed as: *who, under what conditions (if any), shall have what capability, to achieve what particular result or outcome to perform an action to achieve a result or outcome or to reduce a risk to the reliability of the Bulk Power System.*

The body of reliability Requirements collectively provides a defense-in-depth strategy supporting reliability of the Bulk Power System.

### 2.5: Elements of a Reliability Standard

A Reliability Standard includes several components designed to work collectively to identify what entities must do to meet their reliability-related obligations as an owner, operator or user of the Bulk Power System.

The components of a Reliability Standard may include the following:

**Title:** A brief, descriptive phrase identifying the topic of the Reliability Standard.

**Number:** A unique identification number assigned in accordance with a published classification system to facilitate tracking and reference to the Reliability Standards.<sup>3</sup>

**Purpose:** The reliability outcome achieved through compliance with the Requirements of the Reliability Standard.

**Applicability:** Identifies which entities are assigned reliability requirements. The specific Functional Entities and Facilities to which the Reliability Standard applies.

**Effective Dates:** Identification of the date or pre-conditions determining when each Requirement becomes effective in each jurisdiction.

**Requirement:** An explicit statement that identifies the Functional Entity responsible, the action or outcome that must be achieved, any conditions achieving the action or outcome, and the reliability-related benefit of the action or outcome. Each Requirement shall be a statement for which compliance is mandatory.

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<sup>3</sup> Reliability Standards shall be numbered in accordance with the NERC Standards Numbering Convention as provide on the Reliability Standards Resources web page.

**Compliance Elements:** Elements to aid in the administration of ERO compliance monitoring and enforcement responsibilities.<sup>4</sup>

- **Measure:** Provides identification of the evidence or types of evidence that may demonstrate compliance with the associated requirement.
- **Violation Risk Factors and Violation Severity Levels:** Violation risk factors (VRFs) and violation severity levels (VSLs) are used as factors when determining the size of a penalty or sanction associated with the violation of a requirement in an approved reliability standard.<sup>5</sup> Each requirement in each reliability standard has an associated VRF and a set of VSLs. VRFs and VSLs are developed by the drafting team, working with NERC Staff, at the same time as the associated reliability standard, but are not part of the reliability standard. The Board of Trustees is responsible for approving VRFs and VSLs.
  - **Violation Risk Factors**  
VRFs identify the potential reliability significance of noncompliance with each requirement. Each requirement is assigned a VRF in accordance with the latest approved set of VRF criteria.<sup>6</sup>
  - **Violation Severity Levels**  
VSLs define the degree to which compliance with a requirement was not achieved. Each requirement shall have at least one VSL. While it is preferable to have four VSLs for each requirement, some requirements do not have multiple “degrees” of noncompliant performance and may have only one, two, or three VSLs. Each requirement is assigned one or more VSLs in accordance with the latest approved set of VSL criteria.<sup>7</sup>

**Version History:** The version history is provided for informational purposes and lists information regarding prior versions of Reliability Standards.

**Variance:** A Requirement (to be applied in the place of the continent-wide Requirement) that is applicable to a specific geographic area or to a specific set of Registered Entities.

**Compliance Enforcement Authority:** The entity that is responsible for assessing performance or outcomes to determine if an entity is compliant with the associated Reliability Standard. The Compliance Enforcement Authority will be NERC or the Regional Entity in their respective roles of monitoring and enforcing compliance with the NERC Reliability Standards.

**Application guidelines:** Guidelines to support the implementation of the associated Reliability Standard.

**Procedures:** Procedures to support implementation of the associated Reliability Standard.

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<sup>4</sup> It is the responsibility of the ERO staff to develop compliance tools for each standard; these tools are not part of the standard but are referenced in this manual because the preferred approach to developing these tools is to use a transparent process that leverages the technical and practical expertise of the drafting team and ballot pool..

<sup>5</sup> The *Sanction Guidelines of the North American Electric Reliability Corporation* identifies the factors used to determine a penalty or sanction for violation of reliability standard and is posted on the NERC Web Site.

<sup>6</sup> The latest set of approved VRF Criteria is posted on the Reliability Standards Resources Web Page.

<sup>7</sup> The latest set of approved VSL Criteria is posted on the Reliability Standards Resources Web Page.



## Elements of a Reliability Standard

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The only mandatory and enforceable components of a Reliability Standard are the: (1) applicability, (2) Requirements, and the (3) effective dates. The additional components are included in the Reliability Standard for informational purposes, to establish the relevant scope and technical paradigm, and to provide guidance to Functional Entities concerning how compliance will be assessed by the Compliance Enforcement Authority.

## Section 3.0: Reliability Standards Program Organization

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### 3.1: Board of Trustees

The NERC Board of Trustees shall consider for adoption Reliability Standards, definitions, Variances and Interpretations and associated implementation plans that have been processed according to the processes identified in this manual. Once the Board adopts a Reliability Standard, definition, Variance or Interpretation, the Board shall direct NERC Staff to file the document(s) for approval with Applicable Governmental Authorities.

### 3.2: Registered Ballot Body

The Registered Ballot Body comprises all entities or individuals that qualify for one of the Segments approved by the Board of Trustees<sup>8</sup>, and are registered with NERC as potential ballot participants in the voting on Reliability Standards. Each member of the Registered Ballot Body is eligible to join the ballot pool for each Reliability Standard action.

### 3.3: Ballot Pool

Each Reliability 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 request to participate in that particular Reliability Standard action. The ballot pool votes on each Reliability Standards action. The ballot pool remains in place until all balloting related to that Reliability Standard action has been completed.

### 3.4: Standards Committee

The Standards Committee serves at the pleasure and direction of the NERC Board of Trustees, and the Board approves the Standards Committee's Charter.<sup>9</sup> Standards Committee members are elected by their respective Segment's stakeholders. The Standards Committee consists of two members of each of the Segments in the Registered Ballot Body.<sup>10</sup> A member of the NERC Reliability Standards Staff shall serve as the non-voting secretary to the Standards Committee.

The Standards Committee is responsible for managing the Reliability Standards processes for development of Reliability Standards, definitions, Variances and Interpretations in accordance with this manual. The responsibilities of the Standards Committee are defined in detail in the Standards Committee's Charter. The Standards Committee is responsible for ensuring that the Reliability Standards, definitions, Variances and Interpretations developed by drafting teams are developed in accordance with the processes in this manual and meet NERC's benchmarks for Reliability Standards as well as criteria for governmental approval.<sup>11</sup>

The Standards Committee has the right to remand work to a drafting team, to reject the work of a drafting team, or to accept the work of a drafting team. The Standards Committee may disband a drafting team if it determines (a) that the drafting team is not producing a standard in a timely manner; (b) the drafting team

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<sup>8</sup> The industry Segment qualifications are described in the Development of the Registered Ballot Body and Segment Qualification Guidelines document posted on the Reliability Standards Resources web page and are included in Appendix 3D of the NERC Rules of Procedure.

<sup>9</sup> The Standards Committee Charter is posted on the Reliability Standards Resources web page.

<sup>10</sup> In addition to balanced 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.

<sup>11</sup> The Ten Benchmarks of an Excellent Reliability Standard and FERC's Criteria for Approving Reliability Standards are posted on the Reliability Standards Resources web page.

is not able to produce a standard that will achieve industry consensus; (c) the drafting team has not addressed the scope of the SAR; or (d) the drafting team has failed to fully address a regulatory directive or otherwise provided a responsive or equally efficient and effective alternative. The Standards Committee may direct a drafting team to revise its work to follow the processes in this manual or to meet the criteria for NERC's benchmarks for Reliability Standards, or to meet the criteria for governmental approval; however, the Standards Committee shall not direct a drafting team to change the technical content of a draft Reliability Standard.

The Standards Committee shall meet at regularly scheduled intervals (either in person, or by other means). All Standards Committee meetings are open to all interested parties.

### **3.5: NERC Reliability Standards Staff**

The NERC Reliability Standards Staff, led by the Director of Standards, is responsible for administering NERC's Reliability Standards processes in accordance with this manual. The NERC Reliability Standards Staff provides support to the Standards Committee in managing the Reliability Standards processes and in supporting the work of all drafting teams. The NERC Reliability Standards Staff works to ensure the integrity of the Reliability Standards processes and consistency of quality and completeness of the Reliability Standards. The NERC Reliability Standards Staff facilitates all steps in the development of Reliability Standards, definitions, Variances, Interpretations and associated implementation plans.

The NERC Reliability Standards Staff is responsible for presenting Reliability Standards, definitions, Variances, and Interpretations to the NERC Board of Trustees for adoption. When presenting Reliability Standards-related documents to the NERC Board of Trustees for adoption or approval, the NERC Reliability Standards Staff shall report the results of the associated stakeholder ballot, including identification of unresolved stakeholder objections and an assessment of the document's practicality and enforceability.

### **3.6: Drafting Teams**

The Standards Committee shall appoint industry experts to drafting teams to work with stakeholders in developing and refining Standard Authorization Requests ("SARs"), Reliability Standards, definitions, and Variances. The NERC Reliability Standards Staff shall appoint drafting teams that develop Interpretations. The NERC Reliability Standards Staff shall provide, or solicit from the industry, essential support for each of the drafting teams in the form of technical writers, legal, compliance, and rigorous and highly trained project management and facilitation support personnel.

Each drafting team may consist of a group of technical, legal, and compliance experts that work cooperatively with the support of the NERC Reliability Standards Staff.<sup>12</sup> The technical experts provide the subject matter expertise and guide the development of the technical aspects of the Reliability Standard, assisted by technical writers, legal and compliance experts. The technical experts maintain authority over the technical details of the Reliability Standard. Each drafting team appointed to develop a Reliability Standard is responsible for following the processes identified in this manual as well as procedures developed by the Standards Committee from the inception of the assigned project through the final acceptance of that project by Applicable Governmental Authorities.

Collectively, each drafting team:

- Drafts proposed language for the Reliability Standards, definitions, Variances, and/or Interpretations and associated implementation plans.

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<sup>12</sup> The detailed responsibilities of drafting teams are outlined in the Drafting Team Guidelines, which is posted on the Reliability Standards Resources web page.

- Develops and refines technical documents that aid in the understanding of Reliability Standards.
- Works collaboratively with NERC Compliance Monitoring and Enforcement Staff to develop Reliability Standard Audit Worksheets (“RSAWs”) at the same time Reliability Standards are developed.
- Provides assistance to NERC Staff in the development of Compliance Elements of proposed Reliability Standards.
- Solicits, considers, and responds to comments related to the specific Reliability Standards development project.
- Participates in industry forums to help build consensus on the draft Reliability Standards, definitions, Variances, and/or Interpretations and associated implementation plans.
- Assists in developing the documentation used to obtain governmental approval of the Reliability Standards, definitions, Variances, and/or Interpretations and associated implementation plans.

All drafting teams report to the Standards Committee.

### **3.7: Governmental Authorities**

The Federal Energy Regulatory Commission (“FERC”) in the United States of America, and where permissible by statute or regulation, the provincial government of each of the eight Canadian Provinces (Manitoba, Nova Scotia, Saskatchewan, Alberta, Ontario, British Columbia, New Brunswick and Quebec) and the National Energy Board of Canada have the authority to approve each new, revised or withdrawn Reliability Standard, definition, Variance, VRF, VSL and Interpretation following adoption or approval by the NERC Board of Trustees.

### **3.8: Committees, Subcommittees, Working Groups, and Task Forces**

NERC’s technical committees, subcommittees, working groups, and task forces provide technical research and analysis used to justify the development of new Reliability Standards and provide guidance, when requested by the Standards Committee, in overseeing field tests or collection and analysis of data. The technical committees, subcommittees, working groups, and task forces provide feedback to drafting teams during both informal and formal comment periods.

The Standards Committee may request that a NERC technical committee or other group prepare a Technical document to support development of a proposed Reliability Standard.

The technical committees, subcommittees, working groups, and task forces share their observations regarding the need for new or modified Reliability Standards or Requirements with the NERC Reliability Standards Staff for use in identifying the need for new Reliability Standards projects for the three-year *Reliability Standards Development Plan*.

### **3.9: Compliance and Certification Committee**

The Compliance and Certification Committee is responsible for monitoring NERC’s compliance with its Reliability Standards processes and procedures and for monitoring NERC’s compliance with the Rules of Procedure regarding the development of new or revised Reliability Standards, definitions, Variances, and Interpretations. The Compliance and Certification Committee may assist in verifying that each proposed Reliability Standard is enforceable as written before the Reliability Standard is posted for formal stakeholder comment and balloting.

### **3.10: Compliance Monitoring and Enforcement Program**

As applicable, the NERC Compliance Monitoring and Enforcement Program Staff manages and enforces compliance with approved Reliability Standards. Compliance Monitoring and Enforcement Staff are responsible for the development of select compliance tools. The drafting team and the Compliance Monitoring and Enforcement Program Staff shall work together during the Reliability Standard development process to ensure an accurate and consistent understanding of the Requirements and their intent, and to ensure that applicable compliance tools accurately reflect that intent. The goal of this collaboration is to ensure that application of the Reliability Standards in the Compliance Monitoring and Enforcement Program by NERC and the Regional Entities is consistent.

The Compliance Monitoring and Enforcement Program is encouraged to share its observations regarding the need for new or modified Requirements with the NERC Reliability Standards Staff for use in identifying the need for new Reliability Standards projects.

### **3.11: North American Energy Standards Board (“NAESB”)**

While NERC has responsibility for developing Reliability Standards to support reliability, NAESB has responsibility for developing business practices and coordination between reliability and business practices as needed. NERC and NAESB developed and approved a procedure<sup>13</sup> to guide the development of Reliability Standards and business practices where the reliability and business practice components are intricately entwined within a proposed Reliability Standard.

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<sup>13</sup> The NERC NAESB Template Procedure for Joint Standards Development and Coordination is posted on the Reliability Standards Resources web page.

## Section 4.0: Process for Developing, Modifying, Withdrawing or Retiring a Reliability Standard

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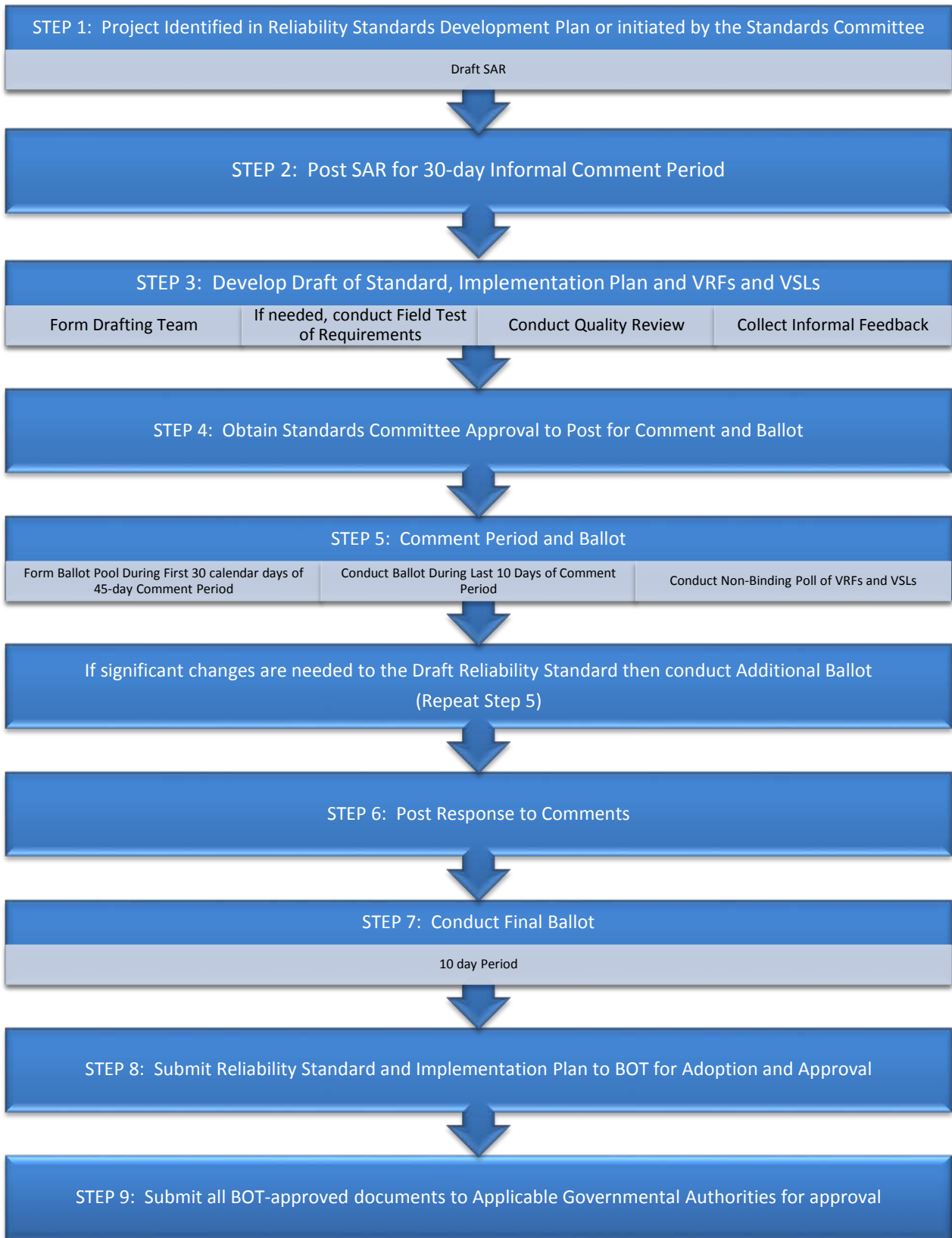
There are several steps to the development, modification, withdrawal or retirement of a Reliability Standard.<sup>14</sup>

The development of the *Reliability Standards Development Plan* is the appropriate forum for reaching agreement on whether there is a need for a Reliability Standard and the scope of a proposed Reliability Standard. A typical process for a project identified in the *Reliability Standards Development Plan* that involves a revision to an existing Reliability Standard is shown below. Note that most projects do not include a field test.

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<sup>14</sup> The process described is also applicable to projects used to propose a new or modified definition or Variance or to propose retirement of a definition or Variance.

## Process for Developing, Modifying, Withdrawing or Retiring a Reliability Standard



**FIGURE 1: Process for Developing or Modifying a Reliability Standard**

### 4.1: Posting and Collecting Information on SARs

#### Standard Authorization Request

A Standard Authorization Request (“SAR”) is the form used to document the scope and reliability benefit of a proposed project for one or more new or modified Reliability Standards or definitions or the benefit of retiring one or more approved Reliability Standards. Any entity or individual, including NERC committees or subgroups and NERC Staff, may propose the development of a new or modified Reliability Standard, or may propose the retirement of a Reliability Standard (in whole or in part), by submitting a completed SAR<sup>15</sup> to the NERC Reliability Standards Staff. The Standards Committee has the authority to approve the posting of all SARs for projects that propose (i) developing a new or modified Reliability Standard or definition or (ii) propose retirement of an existing Reliability Standard (or elements thereof).

The NERC Reliability Standards Staff sponsors an open solicitation period each year seeking ideas for new Reliability Standards projects (using *Reliability Standards Suggestions and Comments forms*). The open solicitation period is held in conjunction with the annual revision to the *Reliability Standards Development Plan*. While the Standards Committee prefers that ideas for new projects be submitted during this annual solicitation period through submittal of a *Reliability Standards Suggestions and Comments Form*,<sup>16</sup> a SAR proposing a specific project may be submitted to the NERC Reliability Standards Staff at any time.

Each SAR that proposes a “new” or substantially revised Reliability Standard or definition should be accompanied by a technical justification that includes, as a minimum, a discussion of the reliability-related benefits and costs of developing the new Reliability Standard or definition, and a technical foundation document (e.g., research paper) to guide the development of the Reliability Standard or definition. The technical document should address the engineering, planning and operational basis for the proposed Reliability Standard or definition, as well as any alternative approaches considered during SAR development.

The NERC Reliability Standards Staff shall review each SAR and work with the submitter to verify that all required information has been provided. All properly completed SARs shall be submitted to the Standards Committee for action at the next regularly scheduled Standards Committee meeting.

When presented with a SAR, the Standards Committee shall determine if the SAR is sufficiently complete to guide Reliability Standard development and whether the SAR is consistent with this manual. The Standards Committee shall take one of the following actions:

- Accept the SAR.
- Remand the SAR back to the requestor or to NERC Reliability Standards Staff for additional work.
- Reject the SAR. The Standards Committee may reject a SAR for good cause. If the Standards Committee rejects a SAR, it shall provide a written explanation for rejection to the sponsor within ten days of the rejection decision.
- Delay action on the SAR pending one of the following: (i) development of a technical justification for the proposed project; or (ii) consultation with another NERC Committee to determine if there is another approach to addressing the issue raised in the SAR.

If the Standards Committee is presented with a SAR that proposes developing a new Reliability Standard or definition but does not have a technical justification upon which the Reliability Standard or definition can be developed, the Standards Committee shall direct the NERC Reliability Standards Staff to post the

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<sup>15</sup> The SAR form can be downloaded from the Reliability Standards Resources web page.

<sup>16</sup> The *Reliability Standards Suggestions and Comments Form* can be downloaded from the Reliability Standards Resources web page.



## Process for Developing, Modifying, Withdrawing or Retiring a Reliability Standard

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SAR for a 30-day comment period solely to collect stakeholder feedback on the scope of technical foundation, if any, needed to support the proposed project. If a technical foundation is determined to be necessary, the Standards Committee shall solicit assistance from NERC's technical committees or other industry experts to provide that foundation before authorizing development of the associated Reliability Standard or definition.

During the SAR comment process, the drafting team may become aware of potential regional Variances related to the proposed Reliability 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 shall be made a part of the draft new or revised Reliability Standard.

If the Standards Committee accepts a SAR, the project shall be added to the list of approved projects. The Standards Committee shall assign a priority to the project, relative to all other projects under development, and those projects already identified in the *Reliability Standards Development Plan* that are already approved for development.

The Standards Committee shall work with the NERC Reliability Standards Staff to coordinate the posting of SARs for new projects, giving consideration to each project's priority.

### **4.2: SAR Posting**

When the Standards Committee determines it is ready to initiate a new project, the Standards Committee shall direct NERC Staff to post the project's SAR in accordance with the following:

- For SARs that are limited to addressing regulatory directives, or revisions to Reliability Standards that have had some vetting in the industry, authorize posting the SAR for a 30-day informal comment period with no requirement to provide a formal response to the comments received.
- For SARs that address the development of new projects or Reliability Standards, authorize posting the SAR for a 30-day formal comment period.

If a SAR for a new Reliability Standard is posted for a formal comment period, the Standards Committee shall appoint a drafting team to work with the NERC Staff coordinator to give prompt consideration of the written views and objections of all participants. The Standards Committee may use a public nomination process to populate the Reliability Standard drafting team, or may use another method that results in a team that collectively has the necessary technical expertise and work process skills to meet the objectives of the project. In some situations, an *ad hoc* team may already be in place with the requisite expertise, competencies, and diversity of views that are necessary to refine the SAR and develop the Reliability Standard, and additional members may not be needed. The drafting team shall address all comments submitted, which may be in the form of a summary response addressing each of the issues raised in comments received, during the public posting period. 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. If the drafting team concludes that there is not sufficient stakeholder support to continue to refine the SAR, the team may recommend that the Standards Committee direct curtailment of work on the SAR.

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. The Standards Committee shall notify the sponsor in writing of the rejection within 10 calendar days.

If stakeholders indicate support for the project proposed with the SAR, the drafting team shall present its work to the Standards Committee with a request that the Standards Committee authorize development of the associated Reliability Standard.

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

- Authorize drafting the proposed Reliability Standard or revisions to a Reliability Standard.
- Reject the SAR with a written explanation to the sponsor and post that explanation.

### **4.3: Form Drafting Team**

When the Standards Committee is ready to have a drafting team begin work on developing a new or revised Reliability Standard, the Standards Committee shall appoint a drafting team, if one was not already appointed to develop the SAR. If the Standards Committee appointed a drafting team to refine the SAR, the same drafting team shall work to develop the associated Reliability Standard.

If no drafting team is in place, then the Standards Committee may use a public nomination process to populate the Reliability Standard drafting team, or may use another method that results in a team that collectively has the necessary technical expertise, diversity of views and work process skills to accomplish the objectives of the project on a timely basis. In some situations, an ad hoc team may already be in place with the requisite expertise, competencies, and diversity of views that are necessary to develop the Reliability Standard, and additional members may not be needed.

The NERC Reliability Standards Staff shall provide one or more members as needed to support the team with facilitation, project management, compliance, legal, regulatory and technical writing expertise and shall provide administrative support to the team, guiding the team through the steps in completing its project. In developing the Reliability Standard, the individuals provided by the NERC Reliability Standards Staff serve as advisors to the drafting team and do not have voting rights but share accountability along with the drafting team members assigned by the Standards Committee for timely delivery of a final draft Reliability Standard that meets the quality attributes identified in NERC's Benchmarks for Excellent Standards. The drafting team members assigned by the Standards Committee shall have final authority over the technical details of the Reliability Standard, while the technical writer shall provide assistance to the drafting team in assuring that the final draft of the Reliability Standard meets the quality attributes identified in NERC's Benchmarks for Excellent Standards.

Once it is appointed by the Standards Committee, the Reliability Standard drafting team is responsible for making recommendations to the Standards Committee regarding the remaining steps in the Reliability Standards process. Consistent with the need to provide for timely standards development, the Standards Committee may decide a project is so large that it should be subdivided and either assigned to more than one drafting team or assigned to a single drafting team with clear direction on completing the project in specified phases. The normally expected timeframes for standards development within the context of this manual are applicable to individual standards and not to projects containing multiple standards. Alternatively, a single drafting team may address the entire project with a commensurate increase in the expected duration of the development work. If a SAR is subdivided and assigned to more than one drafting team, each drafting team will have a clearly defined portion of the work such that there are no overlaps and no gaps in the work to be accomplished.

The Standards Committee may supplement the membership of a Reliability Standard drafting team or provide for additional advisors, as appropriate, to ensure the necessary competencies and diversity of views are maintained throughout the Reliability Standard development effort.

### **4.4: Develop Preliminary Draft of Reliability Standard, Implementation Plan and VRFs and VSLs**

#### **4.4.1: Project Schedule**

When a drafting team begins its work, either in refining a SAR or in developing or revising a proposed Reliability Standard, the drafting team shall develop a project schedule which shall be approved by the Standards Committee. The drafting team shall report progress to the Standards Committee, against the initial project schedule and any revised schedule as requested by the Standards Committee. Where project milestones cannot be completed on a timely basis, modifications to the project schedule must be presented to the Standards Committee for consideration along with proposed steps to minimize unplanned project delays.

### **4.4.2: Draft Reliability Standard**

The team shall develop a Reliability Standard that is within the scope of the associated SAR that includes all required elements as described earlier in this manual with a goal of meeting the quality attributes identified in NERC's Benchmarks for Excellent Standards and criteria for governmental approval. The team shall document its justification for the Requirements in its proposed Reliability Standard by explaining how each meets these criteria. The standard drafting team shall document its justification for selecting each reference by explaining how each Requirement fits the category chosen.

### **4.4.3: Implementation Plan**

As a drafting team drafts its proposed revisions to a Reliability Standard, that team is also required to develop an implementation plan to identify any factors for consideration when approving the proposed effective date or dates for the associated Reliability Standard or Standards. As a minimum, the implementation plan shall include the following:

- The proposed effective date (the date entities shall be compliant) for the Requirements.
- Identification of any new or modified definitions that are proposed for approval with the associated Reliability Standard.
- Whether there are any prerequisite actions that need to be accomplished before entities are held responsible for compliance with one or more of the Requirements.
- Whether approval of the proposed Reliability Standard will necessitate any conforming changes to any already approved Reliability Standards – and identification of those Reliability Standards and Requirements.
- The Functional Entities that will be required to comply with one or more Requirements in the proposed Reliability Standard.

A single implementation plan may be used for more than one Reliability Standard. The implementation plan is posted with the associated Reliability Standard or Standards during the 45 (calendar) day formal comment period and is balloted with the associated Reliability Standard.

### **4.4.4: Violation Risk Factors and Violation Severity Levels**

The drafting team shall work with NERC Staff in developing a set of VRFs and VSLs that meet the latest criteria established by NERC and Applicable Governmental Authorities. The drafting team shall document its justification for selecting each VRF and for setting each set of proposed VSLs by explaining how its proposed VRFs and VSLs meet these criteria. NERC Staff is responsible for ensuring that the VRFs and VSLs proposed for stakeholder review meet these criteria.

Before the drafting team has finalized its Reliability Standard, implementation plan, and VRFs and VSLs, the team should seek stakeholder feedback on its preliminary draft documents.

### **4.5: Informal Feedback<sup>17</sup>**

Drafting teams may use a variety of methods to collect informal stakeholder feedback on preliminary drafts of its documents, including the use of informal comment periods,<sup>18</sup> webinars, industry meetings, workshops, or other mechanisms. Information gathered from informal comment forms shall be publicly posted. While drafting teams are not required to provide a written response to each individual comment received, drafting teams are encouraged, where possible, to post a summary response that identifies how it used comments submitted by stakeholders. Drafting teams are encouraged, where possible, to reach out directly to individual stakeholders in order to facilitate resolution of identified stakeholder concerns. The intent is to gather stakeholder feedback on a “working document” before the document reaches the point where it is considered the “final draft.”

### **4.6: Conduct Quality Review**

The NERC Reliability Standards Staff shall coordinate a quality review of the Reliability Standard, implementation plan, and VRFs and VSLs in parallel with the development of the Reliability Standard and implementation plan, to assess whether the documents are within the scope of the associated SAR, whether the Reliability Standard is clear and enforceable as written, and whether the Reliability Standard meets the criteria specified in NERC’s Benchmarks for Excellent Standards and criteria for governmental approval of Reliability Standards. The drafting team shall consider the results of the quality review, decide upon appropriate changes, and recommend to the Standards Committee whether the documents are ready for formal posting and balloting.

The Standards Committee shall authorize posting the proposed Reliability Standard, and implementation plan for a formal comment period and ballot and the VRFs and VSLs for a non-binding poll as soon as the work flow will accommodate.

If the Standards Committee finds that any of the documents do not meet the specified criteria, the Standards Committee shall remand the documents to the drafting team for additional work.

If the Reliability Standard is outside the scope of the associated SAR, the drafting team shall be directed to either revise the Reliability Standard so that it is within the approved scope, or submit a request to expand the scope of the approved SAR. If the Reliability Standard is not clear and enforceable as written, or if the Reliability Standard does not meet the specified criteria, the Reliability Standard shall be returned to the drafting team by the Standards Committee with specific identification of any Requirement that is deemed to be unclear or unenforceable as written.

### **4.7: Conduct Formal Comment Period and Ballot**

Proposed new or modified Reliability Standards require a formal comment period where the new or modified Reliability Standard, implementation plan and associated VRFs and VSLs or the proposal to retire a Reliability Standard, implementation plan and associated VRFs and VSLs are posted.

The formal comment period shall be at least 45-days long. Formation of the ballot pool and Ballot of the Reliability Standard take place during this formal 45-day comment period. The intent of the formal comment period(s) is to solicit very specific feedback on the final draft of the Reliability Standard, implementation plan and VRFs and VSLs.

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<sup>17</sup> While this discussion focuses on collecting stakeholder feedback on proposed Reliability Standards and implementation plans, the same process is used to collect stakeholder feedback on proposed new or modified Interpretations, definitions and Variances.

<sup>18</sup> The term “informal comment period” refers to a comment period conducted outside of the ballot process and where there is no requirement for a drafting team to respond in writing to submitted comments.

Comments in written form may be submitted on a draft Reliability Standard by any interested stakeholder, including NERC Staff, FERC Staff, and other interested governmental authorities. If stakeholders disagree with some aspect of the proposed set of products, comments provided should explain the reasons for such disagreement and, where possible, suggest specific language that would make the product acceptable to the stakeholder.

### **4.8: Form Ballot Pool**

The NERC Reliability Standards Staff shall establish a ballot pool during the first 30 calendar days of the 45-day formal comment period. The NERC Reliability Standards Staff shall post the proposed Reliability Standard, along with its implementation plan, VRFs and VSLs and shall send a notice to every entity in the Registered Ballot Body to provide notice that there is a new or revised Reliability Standard proposed for approval and to solicit participants for the associated ballot pool. All members of the Registered Ballot Body are eligible to join each ballot pool to vote on a new or revised Reliability Standard and its implementation plan and to participate in the non-binding poll of the associated VRFs and VSLs.

Any member of the Registered Ballot Body may join or withdraw from the ballot pool until the ballot window opens. No Registered Ballot Body member may join or withdraw from the ballot pool once the first ballot starts through the point in time where balloting for that Reliability Standard action has ended. The Director of Standards may authorize deviations from this rule for extraordinary circumstances such as the death, retirement, or disability of a ballot pool member that would prevent an entity that had a member in the ballot pool from eligibility to cast a vote during the ballot window. Any approved deviation shall be documented and noted to the Standards Committee.

### **4.9: Conduct Ballot and Non-binding Poll of VRFs and VSLs<sup>19</sup>**

The NERC Reliability Standards Staff shall announce the opening of the Ballot window and the non-binding poll of VRFs and VSLs. The Ballot window and non-binding poll of VRFs and VSLs shall take place during the last 10 calendar days of the 45-day formal comment period and for the Final Ballot shall be no less than 10 calendar days. If the last day of the ballot window falls on a Saturday or Sunday, the period does not end until the next business day.<sup>20</sup>

The ballot and non-binding poll shall be conducted electronically. The voting window shall be for a period of 10 calendar days but shall be extended, if needed, until a quorum is achieved. During a ballot window, NERC shall not sponsor or facilitate public discussion of the Reliability Standard action under ballot.

There is no requirement to conduct a new non-binding poll of the revised VRFs and VSLs if no changes were made to the associated standard, however if the requirements are modified and conforming changes are made to the associated VRFs and VSLs, another non-binding poll of the revised VRFs and VSLs shall be conducted.

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<sup>19</sup> While RSAWs are not part of the Reliability Standard, they are developed through collaboration of the SDT and NERC Compliance Staff. A non-binding poll, similar to what is done for VRFs and VSLs may be conducted for the RSAW developed through this process to gauge industry support for the companion RSAW to be provided for informational purposes to the NERC Board of Trustees.

<sup>20</sup> Closing dates may be extended as deemed appropriate by NERC Staff.

#### 4.10: Criteria for Ballot Pool Approval

Ballot pool approval of a Reliability Standard requires:

A quorum, which is established by at least 75% of the members of the ballot pool submitting a response; and

A two-thirds majority of the weighted Segment votes cast shall be affirmative. The number of votes cast is the sum of affirmative votes and negative votes with comments. This calculation of votes for the purpose of determining consensus excludes (i) abstentions, (ii) non-responses, and (iii) negative votes without comments.

The following process<sup>21</sup> is used to determine if there are sufficient affirmative votes.

- For each Segment with ten or more voters, the following process shall be used: The number of affirmative votes cast shall be divided by the sum of affirmative and negative votes with comments cast to determine the fractional affirmative vote for that Segment. Abstentions, non-responses, and negative votes without comments shall not be counted for the purposes of determining the fractional affirmative vote for a Segment.
- For each Segment with less than ten voters, the vote weight of that Segment shall be proportionally reduced. Each voter within that Segment voting affirmative or negative with comments shall receive a weight of 10% of the Segment vote.
- The sum of the fractional affirmative votes from all Segments divided by the number of Segments voting<sup>22</sup> shall be used to determine if a two-thirds majority has been achieved. (A Segment shall be considered as “voting” if any member of the Segment in the ballot pool casts either an affirmative vote or a negative vote with comments.)
- A Reliability Standard shall be approved if the sum of fractional affirmative votes from all Segments divided by the number of voting Segments is at least two thirds.

#### 4.11: Voting Positions

Each member of the ballot pool may **only** vote one of the following positions on the Ballot and Additional Ballot(s):

- Affirmative;
- Affirmative, with comment;
- Negative with comments;
- Abstain.

Given that there is no formal comment period concurrent with the Final Ballot, each member of the ballot pool may **only** vote one of the following positions on the Final Ballot:

- Affirmative;
- Negative;<sup>23</sup>
- Abstain.

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<sup>21</sup> Examples of weighted segment voting calculation are posted on the Reliability Standards Resources web page.

<sup>22</sup> 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.

<sup>23</sup> The Final Ballot is used to confirm consensus achieved during the Formal Comment and Ballot stage. Ballot Pool members voting negative on the Final Ballot will be deemed to have expressed the reason for their negative ballot in their own comments or the comments of others during prior Formal Comment periods.

### **4.12: Consideration of Comments**

If a stakeholder or balloter proposes a significant revision to a Reliability Standard during the formal comment period or concurrent Ballot that will improve the quality, clarity, or enforceability of that Reliability Standard, then the drafting team may choose to make such revisions and post the revised Reliability Standard for another 45 calendar day public comment period and ballot. Prior to posting the revised Reliability Standard for an additional comment period, the drafting team must communicate this decision to stakeholders. This communication is intended to inform stakeholders that the drafting team has identified that significant revisions to the Reliability Standard are necessary and should note that the drafting team is not required to respond in writing to comments from the previous ballot. The drafting team will respond to comments received in the last Additional Ballot prior to conducting a Final Ballot.

There is no formal comment period concurrent with the Final Ballot and no obligation for the drafting team to respond to any comments submitted during the Final Ballot.

### **4.13: Additional Ballots**

A drafting team must respond in writing to every stakeholder written comment submitted in response to a ballot prior to conducting a Final Ballot. These responses may be provided in summary form, but all comments and objections must be responded to by the drafting team. All comments received and all responses shall be publicly posted.

However, a drafting team is not required to respond in writing to comments to the previous ballot when it determines that significant changes are needed and an Additional Ballot will be conducted.

### **4.14: Conduct Final Ballot**

When the drafting team has reached a point where it has made a good faith effort at resolving applicable objections and is not making any substantive changes from the previous ballot, the team shall conduct a “Final Ballot.” A non-substantive revision is a revision that does not change the scope, applicability, or intent of any Requirement and includes but is not limited to things such as correcting the numbering of a Requirement, correcting the spelling of a word, adding an obviously missing word, or rephrasing a Requirement for improved clarity. Where there is a question as to whether a proposed modification is “substantive,” the Standards Committee shall make the final determination.

In the Final Ballot, members of the ballot pool shall again be presented the proposed Reliability Standard along with the reasons for negative votes from the previous ballot, the responses of the drafting team to those concerns, and any resolution of the differences.

All members of the ballot pool shall be permitted to reconsider and change their vote from the prior ballot. Members of the ballot pool who did not respond to the prior ballot shall be permitted to vote in the Final Ballot. In the Final Ballot, votes shall be counted by exception only — members on the Final Ballot may indicate a revision to their original vote; otherwise their vote shall remain the same as in their prior ballot.

### **4.15: Final Ballot Results**

There are no limits to the number of public comment periods and ballots that can be conducted to result in a Reliability Standard or interpretation that is clear and enforceable, and achieves a quorum and sufficient affirmative votes for approval. The Standards Committee has the authority to conclude this process for a particular Reliability Standards action if it becomes obvious that the drafting team cannot develop a Reliability Standard that is within the scope of the associated SAR, is sufficiently clear to be enforceable, and achieves the requisite weighted Segment approval percentage.

The NERC Reliability Standards Staff shall post the final outcome of the ballot process. If the Reliability Standard is rejected, the Standards Committee may decide whether to end all further work on the proposed standard, return the project to informal development, or continue holding ballots to attempt to reach

consensus on the proposed standard. If the Reliability Standard is approved, the Reliability Standard shall be posted and presented to the Board of Trustees by NERC management for adoption and subsequently filed with Applicable Governmental Authorities for approval.

### **4.16: Board of Trustees Adoption of Reliability Standards, Implementation Plan and VRFs and VSLs**

If a Reliability Standard and its associated implementation plan are approved by its ballot pool, the Board of Trustees shall consider adoption of that Reliability Standard and its associated implementation plan and shall direct the standard to be filed with Applicable Governmental Authorities for approval. In making its decision, the Board shall consider the results of the balloting and unresolved dissenting opinions. The Board shall adopt or reject a Reliability Standard and its implementation plan, but shall not modify a proposed Reliability Standard. If the Board chooses not to adopt a Reliability Standard, it shall provide its reasons for not doing so.

The board shall consider approval of the VRFs and VSLs associated with a reliability standard. In making its determination, the board shall consider the following:

- The Standards Committee shall present the results of the non-binding poll conducted and a summary of industry comments received on the final posting of the proposed VRFs and VSLs.
- NERC Staff shall present a set of recommended VRFs and VSLs that considers the views of the standard drafting team, stakeholder comments received on the draft VRFs and VSLs during the posting for comment process, the non-binding poll results, appropriate governmental agency rules and directives, and VRF and VSL assignments for other Reliability Standards to ensure consistency and relevance across the entire spectrum of Reliability Standards.

### **4.17: Compliance**

For a Reliability Standard to be enforceable, it shall be approved by its ballot pool, adopted by the NERC Board of Trustees, and approved by Applicable Governmental Authorities, unless otherwise approved by the NERC Board of Trustees pursuant to the NERC Rules of Procedure (*e.g.*, Section 321) and approved by Applicable Governmental Authorities. Once a Reliability Standard is approved or otherwise made mandatory by Applicable Governmental Authorities, all persons and organizations subject to jurisdiction of the ERO will be required to comply with the Reliability Standard in accordance with applicable statutes, regulations, and agreements.

### **4.18: Withdrawal of a Reliability Standard, Interpretation, or Definition**

The term “withdrawal” as used herein, refers to the discontinuation of a Reliability Standard, Interpretation, Variance or definition that has been approved by the Board of Trustees and (1) has not been filed with Applicable Governmental Authorities, or (2) has been filed with, but not yet approved by, Applicable Governmental Authorities. The Standards Committee may withdraw a Reliability Standard, Interpretation or definition for good cause upon approval by the Board of Trustees. Upon approval by the Board of Trustees, NERC Staff will petition the Applicable Governmental Authorities, as needed, to allow for withdrawal. The Board of Trustees also has an independent right of withdrawal that is unaffected by the terms and conditions of this Section.

### **4.19: Retirement of a Reliability Standard, Interpretation, or Definition**

The term “retirement” refers to the discontinuation of a Reliability Standard, Interpretation or definition that has been approved by Applicable Governmental Authorities. A Reliability Standard, Variance or Definition may be retired when it is superseded by a revised version, and in such cases the retirement of the



## Process for Developing, Modifying, Withdrawing or Retiring a Reliability Standard

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earlier version is to be noted in the implementation plan presented to the ballot pool for approval and the retirement shall be considered approved by the ballot pool upon ballot pool approval of the revised version.

Upon identification of a need to retire a Reliability Standard, Variance, Interpretation or definition, where the item will not be superseded by a new or revised version, a SAR containing the proposal to retire a Reliability Standard, Variance, Interpretation or definition will be posted for a comment period and ballot in the same manner as a Reliability Standard. The proposal shall include the rationale for the retirement and a statement regarding the impact of retirement on the reliability of the Bulk Power System. Upon approval by the Board of Trustees, NERC Staff will petition the Applicable Governmental Authorities to allow for retirement.

## Section 5.0: Process for Developing a Defined Term

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NERC maintains a glossary of approved terms, entitled the *Glossary of Terms Used in NERC Reliability Standards*<sup>24</sup> (“Glossary of Terms”). The Glossary of Terms includes terms that have been through the formal approval process and are used in one or more NERC Reliability Standards. Definitions shall not contain statements of performance Requirements. The Glossary of Terms is intended to provide consistency throughout the Reliability Standards.

There are several methods that can be used to add, modify or retire a defined term used in a continent-wide Reliability Standard.

- Anyone can use a Standard Authorization Request (“SAR”) to submit a request to add, modify, or retire a defined term.
- Anyone can submit a Standards Comments and Suggestions Form recommending the addition, modification, or retirement of a defined term. (The suggestion would be added to a project and incorporated into a SAR.)
- A drafting team may propose to add, modify, or retire a defined term in conjunction with the work it is already performing.

### 5.1: Proposals to Develop a New or Revised Definition

The following considerations should be made when considering proposals for new or revised definitions:

- Some NERC Regional Entities have defined terms that have been approved for use in Regional Reliability Standards, and where the drafting team agrees with a term already defined by a Regional Entity, the same definition should be adopted if needed to support a NERC Reliability Standard.
- If a term is used in a Reliability Standard according to its common meaning (as found in a collegiate dictionary), the term shall not be proposed for addition to the Glossary of Terms.
- If a term has already been defined, any proposal to modify or delete that term shall consider all uses of the definition in approved Reliability Standards, with a goal of determining whether the proposed modification is acceptable, and whether the proposed modification would change the scope or intent of any approved Reliability Standards.
- When practical, where NAESB has a definition for a term, the drafting team shall use the same definition to support a NERC Reliability Standard.

Any definition that is balloted separately from a proposed new or modified Reliability Standard or from a proposal for retirement of a Reliability Standard shall be accompanied by an implementation plan.

If a SAR is submitted to the NERC Reliability Standards Staff with a proposal for a new or revised definition, the Standards Committee shall consider the urgency of developing the new or revised definition and may direct NERC Staff to post the SAR immediately, or may defer posting the SAR until a later time based on its priority relative to other projects already underway or already approved for future development. If the SAR identifies a term that is used in a Reliability Standard already under revision by a drafting team, the Standards Committee may direct the drafting team to add the term to the scope of the existing project. Each time the Standards Committee accepts a SAR for a project that was not identified in the *Reliability Standards Development Plan*, the project shall be added to the list of approved projects.

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<sup>24</sup> The latest approved version of the Glossary of Terms is posted on the NERC website on the Standards web page.

### **5.2: Stakeholder Comments and Approvals**

Any proposal for a new or revised definition shall be processed in the same manner as a Reliability Standard and quality review shall be conducted in parallel with this process. Once authorized by the Standards Committee, the proposed definition and its implementation plan shall be posted for at least one formal stakeholder comment period and shall be balloted in the same manner as a Reliability Standard. If a new or revised definition is proposed by a drafting team, that definition may be balloted separately from the associated Reliability Standard.

Each definition that is approved by its ballot pool shall be submitted to the NERC Board of Trustees for adoption and then filed with Applicable Governmental Authorities for approval in the same manner as a Reliability Standard.

## Section 6.0: Process for Conducting Field Tests

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While most drafting teams can develop Reliability Standards without the need to conduct any field tests and without the need to collect and analyze data, some Reliability Standard development efforts may require field tests to analyze data and validate concepts in the development of Reliability Standards. Drafting teams are not required to collect and analyze data or to conduct a field test to validate a Reliability Standard.

### 6.1: Field Tests and Data Analysis (collectively “Field Test”)

1. Field Tests to validate concepts that support the development of Requirements should be conducted before the Standard Authorization Request (“SAR”) for a project is finalized.
2. To conduct a Field Test of a technical concept in a proposed new or revised Reliability Standard, the requesting team must work with NERC staff to identify one of NERC’s technical committees to lead the effort in conducting the Field Test.

#### 6.1.1: Field Test Approval

The request to conduct a Field Test must include, at a minimum:

- the Field Test plan,
- the implementation schedule, and
- an expectation for periodic updates of the analysis of the results.

Prior to the requesting team conducting a Field Test, it must:

- first receive approval from the lead NERC technical committee, and
- subsequently receive approval from the Standards Committee.

#### 6.1.2: Field Test Suspension

During the Field Test, if the lead NERC technical committee overseeing the Field Test determines there is a reliability risk to the BES:

- the lead NERC technical committee shall stop or modify the activity;
- the lead NERC technical committee shall inform the Standards Committee that the activity was stopped or modified;
- the Standards Committee, with the assistance of NERC staff, shall document the cessation or modification of the Field Test; and
- the Standards Committee shall notify NERC compliance staff to coordinate any compliance related issues such as continuance or cessation of waivers.

Prior to the Field Test being restarted after it has been stopped, the requesting team must resubmit the Field Test and receive approval as outlined in section 6.1.1.

If the Field Test does not provide sufficient information to formulate a conclusion within the time allotted in the plan, the Chair of the Standards Committee will work with the requesting team and the lead NERC technical committee to determine whether to continue, modify or terminate the Field Test.

If the requesting team determines a need to conduct a Field Test of a concept that was not identified in the SAR, it must create a supplemental SAR to include the Field Test and receive approval as outlined in section 6.1.1.

### **6.2: Communication and Coordination for All Types of Field Tests**

After approval of the Field Test, the requesting team may request waivers of compliance for Field Test participants that would be rendered incapable of complying with the Requirement(s) of the currently enforceable Reliability Standard due to their participation. The Compliance Monitoring and Enforcement Program staff shall determine whether to approve the requested waivers, and the Standards staff shall inform the affected registered entities. Prior to initiation of the Field Test, the Chair of the Standards Committee, in conjunction with the lead NERC technical committee chair, shall inform the NERC Board of the pending Field Test, the expected duration, and any requested waivers from compliance for registered entities.

During the Field Test, the requesting team conducting the Field Test shall provide periodic updates (no less than quarterly) on the progress of the Field Tests to the Standards Committee and the applicable NERC technical committees. The Chair of the Standards Committee shall keep the NERC Board informed.

## Section 7.0: Process for Developing an Interpretation

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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. A valid Interpretation response provides additional clarity about one or more Requirements, but does not expand on any Requirement and does not explain how to comply with any Requirement. Any entity that is directly and materially affected by the reliability of the North American Bulk Power Systems may request an Interpretation of any Requirement in any continent-wide Reliability Standard that has been adopted by the NERC Board of Trustees. Interpretations will only be provided for Board of Trustees-approved Reliability Standards *i.e.* (i) the current effective version of a Reliability Standard; or (ii) a version of a Reliability Standard with a future effective date.

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 are subject to Interpretation.

The entity requesting the Interpretation shall submit a *Request for Interpretation* form<sup>26</sup> to the NERC Reliability Standards Staff explaining the clarification required, the specific circumstances surrounding the request, and the impact of not having the Interpretation provided. The NERC Reliability Standards and Legal Staffs shall review the request for interpretation to determine whether it meets the requirements for a valid interpretation. Based on this review, the NERC Standards and Legal Staffs shall make a recommendation to the Standards Committee whether to accept the request for Interpretation and move forward in responding to the Interpretation request.

For example, an Interpretation request may be rejected where it:

- (1) Requests approval of a particular compliance approach;
- (2) Identifies a gap or perceived weakness in the approved Reliability Standard;
- (3) Where an issue can be addressed by an active standard drafting team;
- (4) Where it requests clarification of any element of a Reliability Standard other than a Requirement;
- (5) Where a question has already been addressed in the record;
- (6) Where the Interpretation identifies an issue and proposes the development of a new or modified Reliability Standard, (such issues should be addressed via submission of a SAR);
- (7) Where an Interpretation seeks to expand the scope of a Reliability Standard; or
- (8) Where the meaning of a Reliability Standard is plain on its face.

If the Standards Committee rejects the Interpretation request, it shall provide a written explanation for rejecting the Interpretation to the entity requesting the Interpretation within 10 business days of the decision to reject. If the Standards Committee accepts the Interpretation request, the NERC Standards Staff shall (i) form a ballot pool and (ii) assemble an Interpretation drafting team with the relevant expertise to address the interpretation for approval by the Standards Committee. As soon as practical, the team shall develop a “final draft” Interpretation providing the requested clarity.

Interpretations will be balloted in the same manner as Reliability Standards.

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<sup>26</sup> The *Request for Interpretation* form is posted on the NERC Standards web page.

If stakeholder comments indicate that there is not a consensus for the Interpretation, and the Interpretation drafting team cannot revise the Interpretation without violating the basic expectations outlined above, the Interpretation drafting team shall notify the Standards Committee of its conclusion and may submit a SAR with the proposed modification to the Reliability Standard. The entity that requested the Interpretation shall be notified and the disposition of the Interpretation shall be posted.

If, during its deliberations, the Interpretation drafting team identifies a reliability gap in the Reliability Standard that is highlighted by the Interpretation request, the Interpretation drafting team shall notify the Standards Committee of its conclusion and may submit a SAR with the proposed modification to the Reliability Standard at the same time it provides its proposed Interpretation.

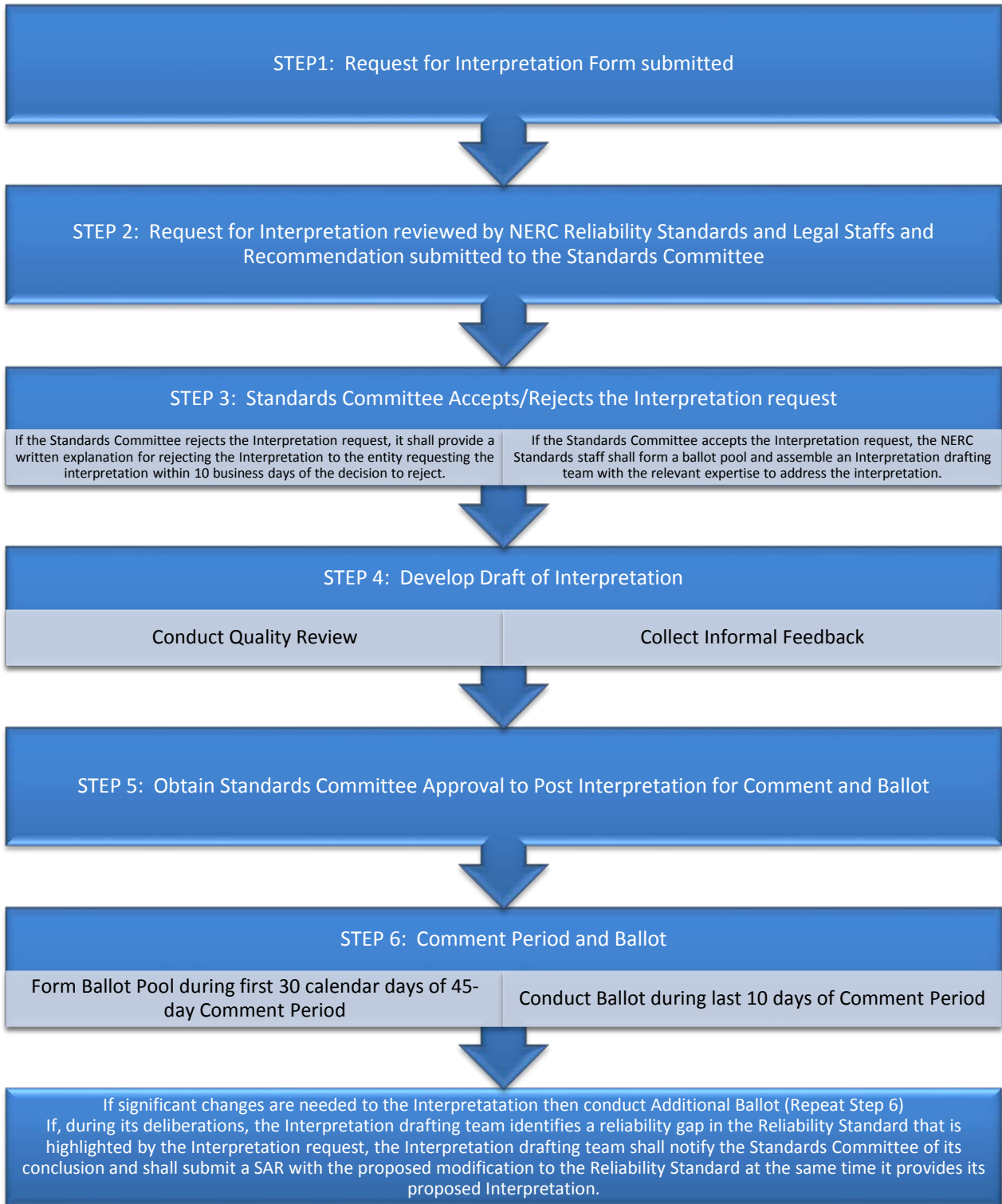
The NERC Reliability Standards and Legal Staffs shall review the final Interpretation to determine whether it has met the requirements for a valid Interpretation. Based on this review, the NERC Standards and Legal Staffs shall make a recommendation to the NERC Board of Trustees regarding adoption.

If approved by its ballot pool, the Interpretation shall be forwarded to the NERC Board of Trustees for adoption.<sup>27</sup> If an Interpretation drafting team proposes a modification to a Reliability Standard as part of its work in developing an Interpretation, the Board of Trustees shall be notified of this proposal at the time the Interpretation is submitted for adoption. Following adoption by the Board of Trustees, NERC Staff shall file the Interpretation for approval by Applicable Governmental Authorities and the Interpretation shall become effective when approved by those Applicable Governmental Authorities. The Interpretation shall stand until such time as the Interpretation can be incorporated into a future revision of the Reliability Standard or the Interpretation is retired due to a future modification of the applicable Requirement.

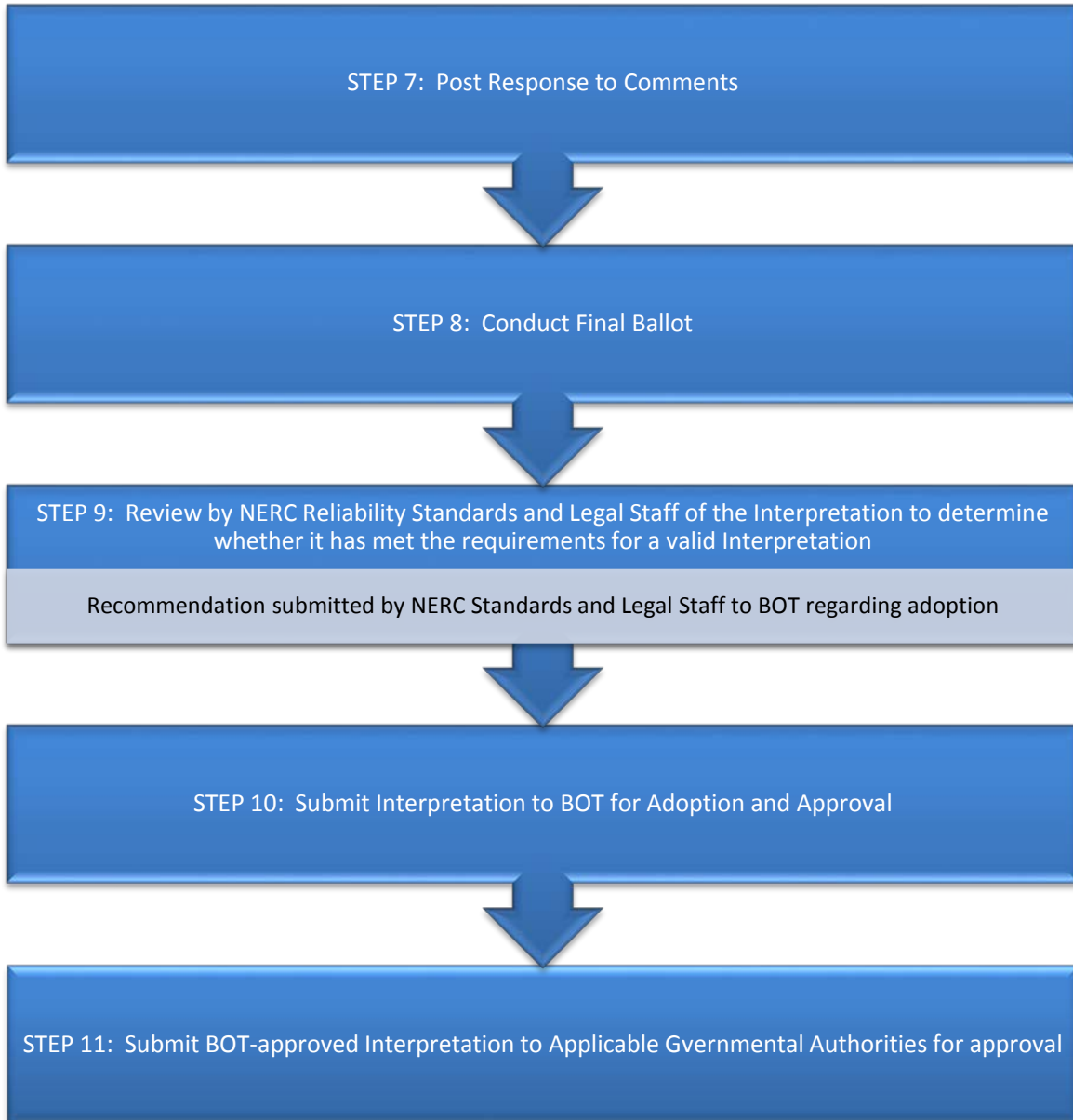
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<sup>27</sup> NERC will maintain a record of all interpretations associated with each standard on the Reliability Standards page of the NERC website.

## Process for Developing an Interpretation







**FIGURE 2: Process for Developing an Interpretation**

## Section 8.0: Process for Appealing an Action or Inaction

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Any entity that has directly and materially affected interests and that has been or will be adversely affected by any procedural action or inaction related to the development, approval, revision, reaffirmation, retirement or withdrawal of a Reliability Standard, definition, Variance, associated implementation plan, or Interpretation shall have the right to appeal. This appeals process applies only to the NERC Reliability Standards processes as defined in this manual, not to the technical content of the Reliability Standards action.

The burden of proof to show adverse effect shall be on the appellant. Appeals shall be made in writing 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. 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.

### **8.1: Level 1 Appeal**

Level 1 is the required first step in the appeals process. The appellant shall submit (to the Director of Standards) a complaint in writing that describes the procedural action or inaction associated with the Reliability Standards process. The appellant shall describe in the complaint the actual or potential adverse impact to the appellant. Assisted by NERC Staff and industry resources as needed, the Director of Standards 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 shall be made a part of the public record associated with the Reliability Standard.

### **8.2: 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 Director of Standards, the Director of Standards shall convene a Level 2 Appeals Panel. This panel shall consist of five members 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 NERC Reliability Standards Staff 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 entity that is directly and materially affected by the 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, definition, Variance or Interpretation or implementation plan as these responsibilities remain with the ballot pool and Board of Trustees respectively. The actions of the Level 2 Appeals Panel shall be publicly posted.

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, definition, Variance or Interpretation. The objection shall 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

## Process for Appealing an Action or Inaction

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facts that justify that relief. The objection shall be filed no later than 30 days after the announcement of the vote by the ballot pool on the Reliability Standard in question.

## Section 9.0: Process for Developing a Variance

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A Variance is an approved, alternative method of achieving the reliability intent of one or more Requirements in a Reliability Standard. No Regional Entity or Bulk Power System owner, operator, or user shall claim a Variance from a NERC Reliability Standard without approval of such a Variance through the relevant Reliability Standard approval procedure for the Variance. Each Variance from a NERC Reliability Standard that is approved by NERC and Applicable Governmental Authorities shall be made an enforceable part of the associated NERC Reliability Standard.

NERC's drafting teams shall aim to develop Reliability Standards with Requirements that apply on a continent-wide basis, minimizing the need for Variances while still achieving the Reliability Standard's reliability objectives. If one or more Requirements cannot be met or complied with as written because of a physical difference in the Bulk Power System or because of an operational difference (such as a conflict with a federally or provincially approved tariff), but the Requirement's reliability objective can be achieved in a different fashion, an entity or a group of entities may pursue a Variance from one or more Requirements in a continent-wide Reliability Standard. It is the responsibility of the entity that needs a Variance to identify that need and initiate the processing of that Variance through the submittal of a SAR<sup>28</sup> that includes a clear definition of the basis for the Variance.

There are two types of Variances – those that apply on an Interconnection-wide basis, and those that apply to one or more entities on less than an Interconnection-wide basis.

### **9.1: Interconnection-wide Variances**

Any Variance from a NERC Reliability Standard Requirement that is proposed to apply to Registered Entities within a Regional Entity organized on an Interconnection-wide basis shall be considered an Interconnection-wide Variance and shall be developed through that Regional Entity's NERC-approved Regional Reliability Standards development procedure.

While an Interconnection-wide Variance may be developed through the associated Regional Reliability Standards development process, Regional Entities are encouraged to work collaboratively with existing continent-wide drafting teams to reduce potential conflicts between the two efforts.

An Interconnection-wide 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 associated NERC Reliability Standard. NERC shall rebuttably presume that an Interconnection-wide Variance from a NERC Reliability Standard that is developed, in accordance with a Regional Reliability Standards development 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.

### **9.2: Variances that Apply on Less than an Interconnection-wide Basis**

Any Variance from a NERC Reliability Standard Requirement that is proposed to apply to one or more entities but less than an entire Interconnection (*e.g.*, 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 considered a Variance. A Variance may be requested while a Reliability Standard is under development or a Variance may be requested at any time after a Reliability Standard is approved. Each request for a

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<sup>28</sup> A sample of a SAR that identifies the need for a Variance and a sample Variance are posted as resources on the Reliability Standards Resources web page.

## Process for Developing a Variance

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Variance shall be initiated through a SAR, and processed and approved in the same manner as a continent-wide Reliability Standard, using the Reliability Standards development process defined in this manual.

## Section 10.0: Processes for Developing a Reliability Standard Related to a Confidential Issue

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While it is NERC's intent to use its ANSI-accredited Reliability Standards development process for developing its Reliability Standards, NERC has an obligation as the ERO to ensure that there are Reliability Standards in place to preserve the reliability of the interconnected Bulk Power Systems throughout North America. When faced with a national security emergency situation, NERC may use one of the following special processes to develop a Reliability Standard that addresses an issue that is confidential. Reliability Standards developed using one of the following processes shall be called, "special Reliability Standards" and shall not be filed with ANSI for approval as American National Standards.

The NERC Board of Trustees may direct the development of a new or revised Reliability Standard to address a national security situation that involves confidential issues. These situations may involve imminent or long-term threats. In general, these Board directives will be driven by information from the President of the United States of America or the Prime Minister of Canada or a national security agency or national intelligence agency of either or both governments indicating (to the ERO) that there is a national security threat to the reliability of the Bulk Power System.<sup>29</sup>

There are two special processes for developing Reliability Standards responsive to confidential issues – one process where the confidential issue is "imminent," and one process where the confidential issue is "not imminent."

### **10.1: Process for Developing Reliability Standards Responsive to Imminent, Confidential Issues**

If the NERC Board of Trustees directs the immediate development of a new or revised Reliability Standard to address a confidential national security emergency situation, the NERC Reliability Standards Staff shall develop a SAR, form a ballot pool (to vote on the Reliability Standard and its implementation plan) and assemble a slate of pre-defined subject matter experts as a proposed drafting team for approval by the Standards Committee's officers. All members of the Registered Ballot Body shall have the opportunity to join the ballot pool.

### **10.2: Drafting Team Selection**

The Reliability Standard drafting team selection process shall be limited to just those candidates who have already been identified as having the appropriate security clearance, the requisite technical expertise, and either have signed or are willing to sign a strict confidentiality agreement.

### **10.3: Work of Drafting Team**

The Reliability Standard drafting team shall perform all its work under strict security and confidential rules. The Reliability Standard drafting team shall develop the new or revised Reliability Standard and its implementation plan.

The Reliability Standard drafting team shall review its work, to the extent practical, as it is being developed with officials from the appropriate governmental agencies in the U.S. and Canada, under strict security and confidentiality rules.

### **10.4: Formal Stakeholder Comment & Ballot Window**

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<sup>29</sup> The NERC Board may direct the immediate development and issuance of a Level 3 (Essential Action) alert and then may also direct the immediate development of a new or revised Reliability Standard.

The draft Reliability Standard and its implementation plan shall be distributed for a formal comment period, under strict confidentiality rules, only to those entities that are listed in the NERC Compliance Registry to perform one of the functions identified in the applicability section of the Reliability Standard and have identified individuals from their organizations that have signed confidentiality agreements with NERC.<sup>30</sup> At the same time, the Reliability Standard shall be distributed to the members of the ballot pool for review and ballot. The NERC Reliability Standards Staff shall not post or provide the ballot pool with any confidential background information.

The drafting team, working with the NERC Reliability Standards Staff, shall consider and respond to all comments, make any necessary conforming changes to the Reliability Standard and its implementation plan, and shall distribute the comments, responses and any revision to the same population as received the initial set of documents for formal comment and ballot.

### **10.5: Board of Trustee Actions**

Each Reliability Standard and implementation plan developed through this process shall be submitted to the NERC Board of Trustees for adoption.

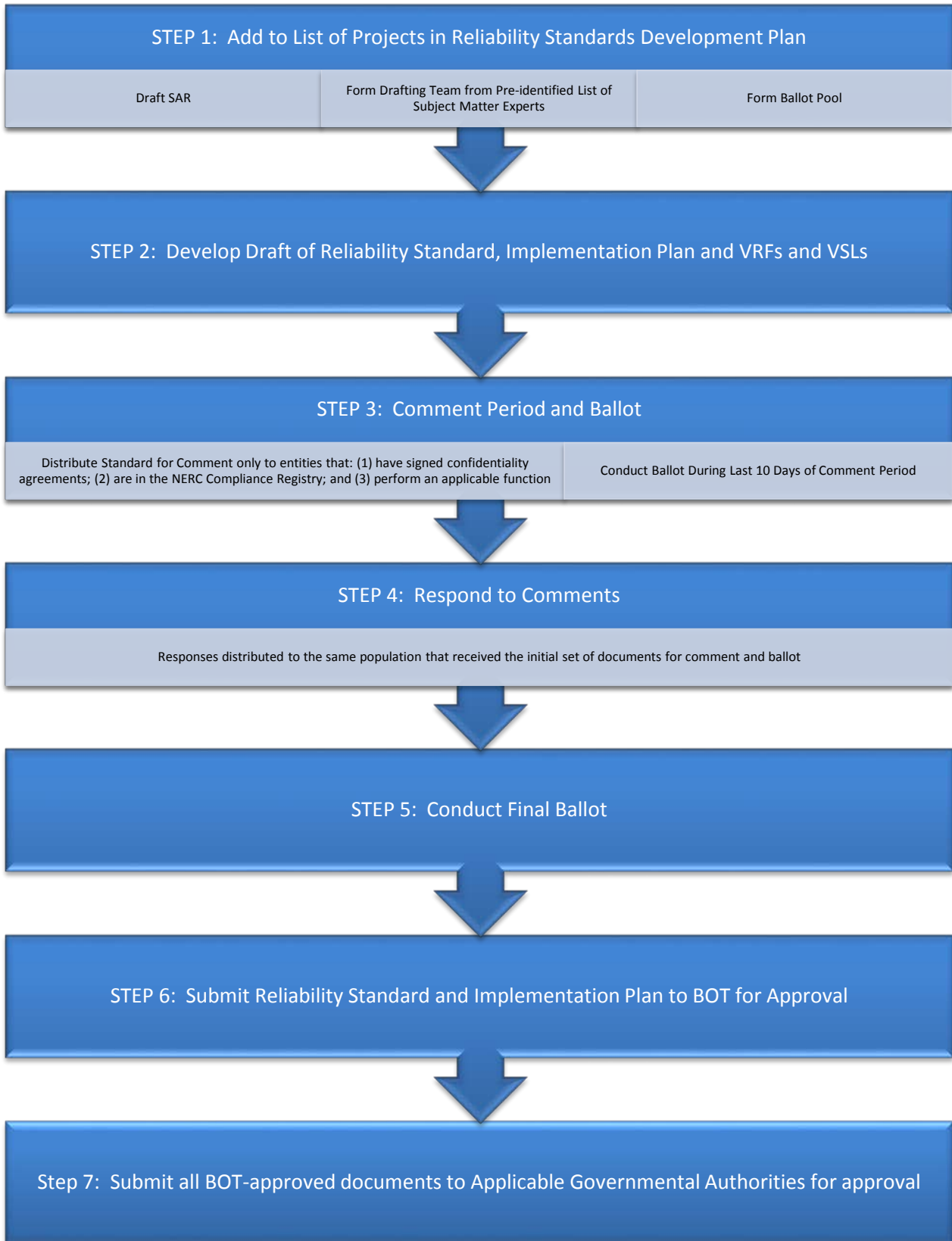
### **10.6: Governmental Approvals**

All approved documents shall be filed for approval with Applicable Governmental Authorities.

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<sup>30</sup> In this phase of the process, only the proposed Reliability Standard shall be distributed to those entities expected to comply, not the rationale and justification for the Reliability Standard. Only the special drafting team members, who have the appropriate security credentials, shall have access to this rationale and justification.

**10.7: Developing a Reliability Standard Responsive to an Imminent, Confidential Issue**





**FIGURE 3: Process for Developing a Standard Responsive to an Imminent, Confidential Issue**

### **10.8: Process for Developing Reliability Standards Responsive to Non-imminent, Confidential Issues**

If the NERC Board of Trustees directs the immediate development of a new or revised Reliability Standard to address a confidential national security emergency situation, the NERC Reliability Standards Staff shall develop a SAR, form a ballot pool (to vote on the Reliability Standard and its implementation plan) and assemble a slate of pre-defined subject matter experts as a proposed drafting team for approval by the Standards Committee's officers. All members of the Registered Ballot Body shall have the opportunity to join the ballot pool.

### **10.9: Drafting Team Selection**

The drafting team selection process shall be limited to just those candidates who have already been identified as having the appropriate security clearance, the requisite technical expertise, and either have signed or are willing to sign a strict confidentiality agreement.

### **10.10: Work of Drafting Team**

The drafting team shall perform all its work under strict security and confidential rules. The Reliability Standard drafting team shall develop the new or revised Reliability Standard and its implementation plan.

The drafting team shall review its work, to the extent practical, as it is being developed with officials from the Applicable Governmental Authorities, under strict security and confidentiality rules.

### **10.11: Formal Stakeholder Comment & Ballot Window**

The draft Reliability Standard and its implementation plan shall be distributed for a formal comment period, under strict confidentiality rules, only to those entities that are listed in the NERC Compliance Registry to perform one of the functions identified in the applicability section of the Reliability Standard and have identified individuals from their organizations that have signed confidentiality agreements with NERC.<sup>31</sup> At the same time, the Reliability Standard shall be distributed to the members of the ballot pool for review and ballot. The NERC Reliability Standards Staff shall not post or provide the ballot pool with any confidential background information.

### **10.12: Revisions to Reliability Standard, Implementation Plan and VRFs and VSLs**

The drafting team, working with the NERC Reliability Standards Staff, shall work to refine the Reliability Standard, implementation plan and VRFs and VSLs in the same manner as for a new Reliability Standard following the "normal" Reliability Standards development process described earlier in this manual with the exception that distribution of the comments, responses, and new drafts shall be limited to those entities that are in the ballot pool and those entities that are listed in the NERC Compliance Registry to perform one of the functions identified in the applicability section of the Reliability Standard and have identified individuals from their organizations that have signed confidentiality agreements with NERC.

### **10.13: Board of Trustee Action**

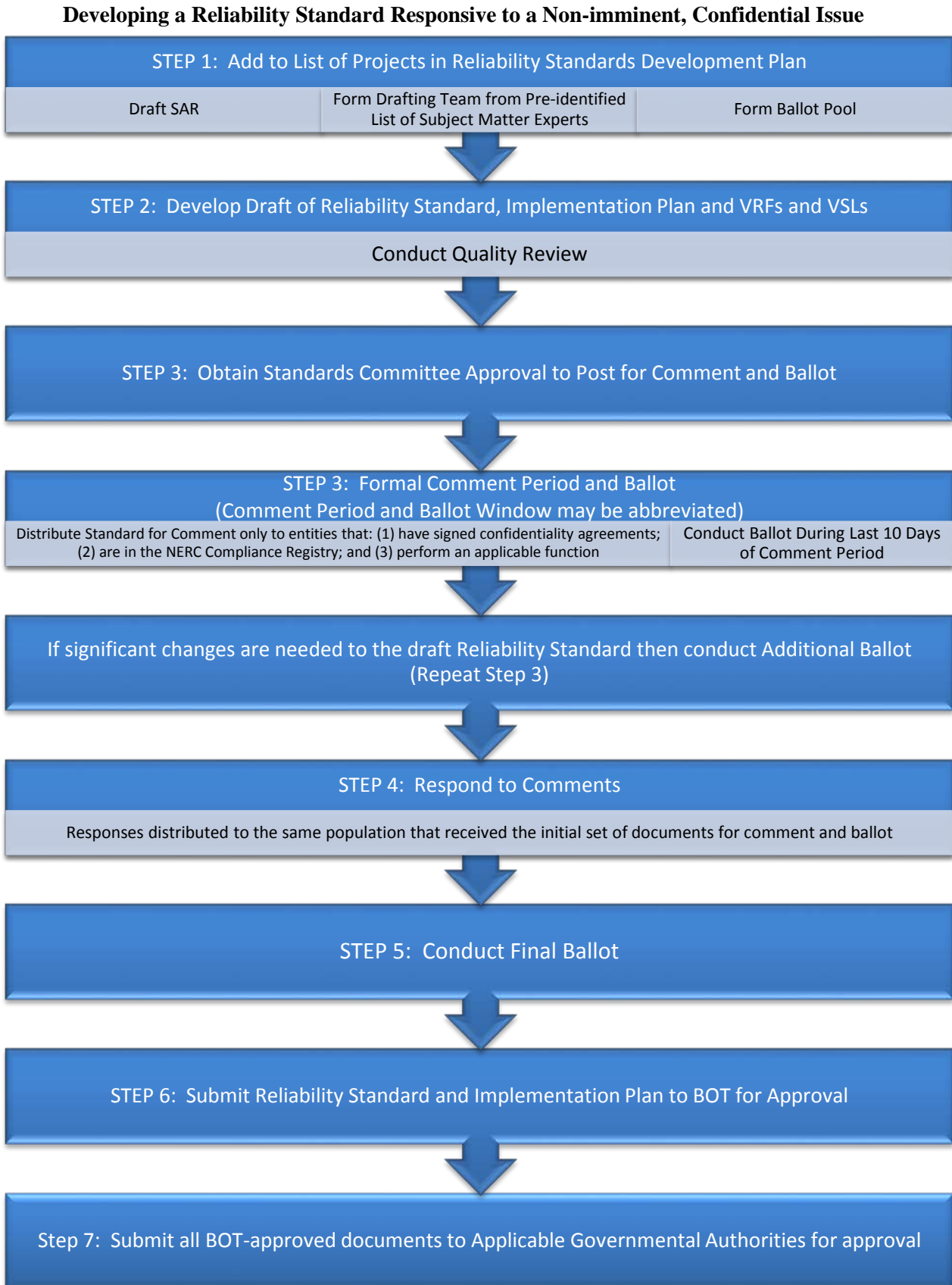
Each Reliability Standard, implementation plan, and the associated VRFs and VSLs developed through this process shall be submitted to the NERC Board of Trustees for adoption.

### **10.14: Governmental Approvals**

All BOT-approved documents shall be filed for approval with Applicable Governmental Authorities.

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<sup>31</sup> In this phase of the process, only the proposed Reliability Standard shall be distributed to those entities expected to comply, not the rationale and justification for the Reliability Standard. Only the special drafting team members, who have the appropriate security credentials, shall have access to this rationale and justification.



**FIGURE 4: Developing a Standard Responsive to a Non-Imminent, Confidential Issue**

## Section 11.0: Process for Approving Supporting Documents

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The following types of documents are samples of the types of supporting documents that may be developed to enhance stakeholder understanding and implementation of a Reliability Standard. These documents may explain or facilitate implementation of Reliability Standards but do not themselves contain mandatory Requirements subject to compliance review. Any Requirements that are mandatory shall be incorporated into the Reliability Standard in the Reliability Standard development process.

While most supporting documents are developed by the standard drafting team working to develop the associated Reliability Standard, any entity may develop a supporting document associated with a Reliability Standard.

The Standards Committee shall authorize the posting of all supporting references<sup>32</sup> that are linked to an approved Reliability Standard. Prior to granting approval to post a supporting reference with a link to the associated Reliability Standard, the Standards Committee shall verify that the document has had stakeholder review to verify the accuracy of the technical content. While the Standards Committee has the authority to approve the posting of each such reference, stakeholders, not the Standards Committee, verify the accuracy of the document's contents.

Type of Document	Description
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.
Guideline	Recommended process that identifies a method of meeting a Requirement under specific conditions.
Supplement	Data forms, pro forma documents, and associated instructions that support the implementation of a Reliability Standard.
Training Material	Documents that support the implementation of a Reliability Standard.
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 Reliability Standard or one of the documents above.

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<sup>32</sup> The Standards Committee's Procedure for Approving the Posting of Reference Documents is posted on the Reliability Standards Resources web page.

## Section 12.0: Process for Correcting Errata

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From time to time, an error may be discovered in a Reliability Standard. Such errors may be corrected (i) following a Final Ballot prior to Board of Trustees adoption, (ii) following Board of Trustees adoption prior to filing with Applicable Governmental Authorities; and (iii) following filing with Applicable Governmental Authorities. If the Standards Committee agrees that the correction of the error does not change the scope or intent of the associated Reliability Standard, and agrees that the correction has no material impact on the end users of the Reliability Standard, then the correction shall be filed for approval with Applicable Governmental Authorities as appropriate. The NERC Board of Trustees has resolved to concurrently approve any errata approved by the Standards Committee.

## Section 13.0: Process for Conducting Periodic Reviews of Reliability Standards

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All Reliability Standards shall be reviewed at least once every ten years from the effective date of the Reliability Standard or the date of the latest Board of Trustees adoption to a revision of the Reliability Standard, whichever is later. If a Reliability Standard is approved by ANSI as an American National Standard, it shall be reviewed at least once every five years from the effective date of the Reliability Standard or the date of the latest Board of Trustees adoption to a revision of the Reliability Standard, whichever is later.

The *Reliability Standards Development Plan* shall include projects that address this five or ten-year review of Reliability Standards.

- If a Reliability Standard is nearing its five or ten-year review and has issues that need resolution, then the *Reliability Standards Development Plan* shall include a project for the complete review and associated revision of that Reliability Standard that includes addressing all outstanding governmental directives, all approved Interpretations, and all unresolved issues identified by stakeholders.
- If a Reliability Standard is nearing its five or ten-year review and there are no outstanding governmental directives, Interpretations, or unresolved stakeholder issues associated with that Reliability Standard, then the *Reliability Standards Development Plan* shall include a project solely for the “five-year review” of that Reliability Standard.

For a project that is focused solely on the five-year review, the Standards Committee shall appoint a review team of subject matter experts to review the Reliability Standard and recommend whether the American National Standard Institute-approved Reliability Standard should be reaffirmed, revised, or withdrawn. Each review team shall post its recommendations for a 45 calendar day formal stakeholder comment period and shall provide those stakeholder comments to the Standards Committee for consideration.

- If a review team recommends reaffirming a Reliability Standard, the Standards Committee shall submit the reaffirmation to the Board of Trustees for adoption and then to Applicable Governmental Authorities for approval. Reaffirmation does not require approval by stakeholder ballot.
- If a review team recommends modifying, or retiring a Reliability Standard, the team shall develop a SAR with such a proposal and the SAR shall be submitted to the Standards Committee for prioritization as a new project. Each existing Reliability Standard recommended for modification, or retirement shall remain in effect in accordance with the associated implementation plan until the action to modify or withdraw the Reliability Standard is approved by its ballot pool, adopted by the Board of Trustees, and approved by Applicable Governmental Authorities.

In the case of reaffirmation of a Reliability Standard, the Reliability Standard shall remain in effect until the next five or ten-year review or until the Reliability Standard is otherwise modified or withdrawn by a separate action.

## Section 14.0: Public Access to Reliability Standards Information

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### **14.1: Online Reliability Standards Information System**

The NERC Reliability Standards Staff shall maintain an electronic copy of information regarding currently proposed and currently in effect Reliability Standards. This information shall include current Reliability Standards in effect, proposed revisions to Reliability Standards, and proposed new Reliability 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.

### **14.2: Archived Reliability Standards Information**

The NERC Staff shall maintain a historical record of Reliability Standards information that is no longer maintained online. 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 Reliability Standard was no longer in effect. Archived records of Reliability Standards information shall be available electronically within 30 days following the receipt by the NERC Reliability Standards Staff of a written request.



## Section 15.0: Process for Updating Standard Processes

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### **15.1: Requests to Revise the Standard Processes Manual**

Any person or entity may submit a request to modify one or more of the processes contained within this manual. The Standards Committee shall oversee the handling of each request. The Standards Committee shall prioritize all requests, merge related requests, and respond to each sponsor within 30 calendar days.

The Standards Committee shall post the proposed revisions for a 45 (calendar) day formal comment period. Based on the degree of consensus for the revisions, the Standards Committee shall:

- a. Submit the revised process or processes for ballot pool approval;
- b. Repeat the posting for additional inputs after making changes based on comments received;
- c. Remand the proposal to the sponsor 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 Reliability Standard, including the use of an Additional 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 submit to the Board a description of the basis for the changes, a summary of the comments received, and any minority views expressed in the comment and ballot process. The proposed revisions shall not be effective until approved by the NERC Board of Trustees and Applicable Governmental Authorities.

## Section 16.0: Waiver

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While it is NERC's intent to use its ANSI-accredited Reliability Standards development process for developing its Reliability Standards, NERC may need to develop a new or modified Reliability Standard, definition, Variance, or implementation plan under specific time constraints (such as to meet a time constrained regulatory directive) or to meet an urgent reliability issue such that there isn't sufficient time to follow all the steps in the normal Reliability Standards development process.

The Standards Committee may waive any of the provisions contained in this manual for good cause shown, but limited to the following circumstances:

- In response to a national emergency declared by the United States or Canadian government that involves the reliability of the Bulk Electric System or cyber attack on the Bulk Electric System;
- Where necessary to meet regulatory deadlines;
- Where necessary to meet deadlines imposed by the NERC Board of Trustees; or
- Where the Standards Committee determines that a modification to a proposed Reliability Standard or its Requirement(s), a modification to a defined term, a modification to an interpretation, or a modification to a variance has already been vetted by the industry through the standards development process or is so insubstantial that developing the modification through the processes contained in this manual will add significant time delay.

In no circumstances shall this provision be used to modify the requirements for achieving quorum or the voting requirements for approval of a standard.

A waiver request may be submitted to the Standards Committee by any entity or individual, including NERC committees or subgroups and NERC Staff. Prior to consideration of any waiver request, the Standards Committee must provide five business days notice to stakeholders.

Action on the waiver request will be included in the minutes of the Standards Committee. Following the approval of the Standards Committee to waive any provision of the Standard Process Manual, the Standards Committee will report this decision to the Standards Oversight and Technology Committee.<sup>33</sup> Actions taken pursuant to an approved waiver request will be posted on the Standard Project page and included in the next project announcement.

In addition, the Standards Committee shall report the exercise of this waiver provision to the Board of Trustees prior to adoption of the related Reliability Standard, Interpretation, definition or Variance.

Reliability Standards developed as a result of a waiver of any provision of the Standard Processes Manual shall not be filed with ANSI for approval as American National Standards.

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<sup>33</sup> Any entity may appeal a waiver decision or any other procedural decision by the Standards Committee pursuant to Section 8.0 of the NERC Standard Processes Manual.

# NERC

NORTH AMERICAN ELECTRIC  
RELIABILITY CORPORATION

## Standard Processes Manual

VERSION 3 TBD

Effective: June 26, 2013 TBD

to ensure  
the reliability of the  
bulk power system

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## Section 1.0: Introduction

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### 1.1: Authority

This manual 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 manual with Applicable Governmental Authorities for approval as an ERO document. When approved, the manual is appended to and provides implementation detail in support of the ERO Rules of Procedure Section 300 — Reliability Standards Development.

Capitalized terms not otherwise defined herein, shall have the meaning set forth in the Definitions Used in the Rules of Procedure, Appendix 2 to the Rules of Procedure.

### 1.2: Scope

The policies and procedures in this manual shall govern the activities of the North American Electric Reliability Corporation ("NERC") related to the development, approval, revision, reaffirmation, and withdrawal of Reliability Standards, Interpretations, Violation Risk Factors ("VRFs"), Violation Severity Levels ("VSLs"), definitions, Variances, and reference documents developed to support standards for the Reliable Operation and planning of the North American Bulk Power Systems.

This manual also addresses the role of the Standards Committee, drafting team and ballot body in the development and approval of Compliance Elements in conjunction with standard development.

### 1.3: Background

NERC is a nonprofit corporation formed for the purpose of becoming the North American ERO. NERC works with all stakeholder segments of the electric industry, including electricity users, to develop Reliability Standards for the reliability planning and Reliable Operation of the North American Bulk Power Systems. 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 Reliability 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 ERO effective July 2006. *North American Electric Reliability Corp.*, 116 FERC ¶ 61,062, *order on reh'g and compliance*, 117 FERC ¶ 61,126 (2006), *order on compliance*, 118 FERC ¶ 61,030 (2007).

### 1.4: Essential Attributes of NERC's Reliability Standards Processes

NERC's Reliability Standards development processes provide reasonable notice and opportunity for public comment, due process, openness, and balance of interests in developing a proposed Reliability Standard consistent with the attributes necessary for American National Standards Institute ("ANSI") accreditation. The same attributes, as well as transparency, consensus-building, and timeliness, are also required under the ERO Rules of Procedure Section 304.

- ***Open Participation***

Participation in NERC's Reliability Standards development balloting and approval processes shall be open to all entities materially affected by NERC's Reliability Standards. There shall be no financial barriers to participation in NERC's Reliability Standards balloting and approval processes. Membership in the Registered Ballot Body shall not be conditional upon membership in any organization, nor unreasonably restricted on the basis of technical qualifications or other such requirements.

- ***Balance***

NERC's Reliability Standards development processes shall not be dominated by any two interest categories, individuals, or organizations and no single interest category, individual, or organization is able to defeat a matter.

NERC shall use a voting formula that allocates each industry Segment an equal weight in determining the final outcome of any Reliability Standard action. The Reliability Standards development processes shall have a balance of interests. Participants from diverse interest categories shall be encouraged to join the Registered Ballot Body and participate in the balloting process, with a goal of achieving balance between the interest categories. The Registered Ballot Body serves as the consensus body voting to approve each new or proposed Reliability Standard, definition, Variance, and Interpretation.

- ***Coordination and harmonization with other American National Standards activities***

NERC is committed to resolving any potential conflicts between its Reliability Standards development efforts and existing American National Standards and candidate American National Standards.

- ***Notification of standards development***

NERC shall publicly distribute a notice to each member of the Registered Ballot Body, and to each stakeholder who indicates a desire to receive such notices, for each action to create, revise, reaffirm, or withdraw a Reliability Standard, definition, or Variance; and for each proposed Interpretation. Notices shall be distributed electronically, with links to the relevant information, and notices shall be posted on NERC's Reliability Standards web page. All notices shall identify a readily available source for further information.

- ***Transparency***

The process shall be transparent to the public.

- ***Consideration of views and objections***

Drafting teams shall give prompt consideration to the written views and objections of all participants as set forth herein. Drafting teams shall make an effort to resolve each objection that is related to the topic under review.

- ***Consensus Building***

The process shall build and document consensus for each Reliability Standard, both with regard to the need and justification for the Reliability Standard and the content of the Reliability Standard.

- ***Consensus vote***

NERC shall use its voting process to determine if there is sufficient consensus to approve a proposed Reliability Standard, definition, Variance, or Interpretation. NERC shall form a ballot pool for each Reliability Standard action from interested members of its Registered Ballot Body. Approval of any Reliability Standard action requires:

- A quorum, which is established by at least 75% of the members of the ballot pool submitting a response excluding unreturned ballots; and
- A two-thirds majority of the weighted Segment votes cast shall be affirmative. The number of votes cast during all stages of balloting except the final ballot is the sum of affirmative and negative votes with comments, excluding abstentions, non-responses, and negative votes without comments. During the final ballot, the number of votes cast is the sum of affirmative and negative votes, excluding abstentions and non-responses.

- ***Timeliness***  
Development of Reliability Standards shall be timely and responsive to new and changing priorities for reliability of the Bulk Power System.
- ***Metric Policy***  
The International System of units is the preferred units of measurement in NERC Reliability Standard. However, because NERC's Reliability Standards apply in Canada, the United States and portions of Mexico, where applicable, measures are provided in both the metric and English units.

### **1.5: Ethical Participation**

All participants in the NERC Standard development process, including drafting teams, quality reviewers, Standards Committee members and members of the Registered Ballot Body, are obligated to act in an ethical manner in the exercise of all activities conducted pursuant to the terms and conditions of the Standard Processes Manual and the standard development process.

## Section 2.0: Elements of a Reliability Standard

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### 2.1: Definition of a Reliability Standard

A Reliability Standard includes a set of Requirements that define specific obligations of owners, operators, and users of the North American Bulk Power Systems. The Requirements shall be material to reliability and measurable. 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 the term does not include any requirement to enlarge Bulk Power System Facilities or to construct new transmission capacity or generation capacity. A Reliability Standard shall not be effective in the United States until approved by the Federal Energy Regulatory Commission and shall not be effective in other jurisdictions until made or allowed to become effective by the Applicable Governmental Authority. *See* Appendix 2 to the NERC Rules of Procedure, Definitions Used in the Rules of Procedure.

### 2.2: Reliability Principles

NERC Reliability Standards are based on certain reliability principles that define the foundation of reliability for North American Bulk Power Systems.<sup>1</sup> Each Reliability Standard shall enable or support one or more of the reliability principles, thereby ensuring that each Reliability 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 Reliability Standard undermines reliability through an unintended consequence.

### 2.3: Market 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.<sup>2</sup> 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.

### 2.4: Types of Reliability Requirements

Generally, each Requirement of a Reliability Standard shall identify what Functional Entities shall do, and under what conditions, to achieve a specific reliability objective. Although Reliability Standards all follow this format, several types of Requirements may exist, each with a different approach to measurement.

- **Performance-based Requirements** define a specific reliability objective or outcome achieved by one or more entities that has a direct, observable effect on the reliability of the Bulk Power System, *i.e.* an effect that can be measured using power system data or trends. In its simplest form, a performance-based requirement has four components: *who*,

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<sup>1</sup> The intent of the set of NERC Reliability Standards is to deliver an adequate level of reliability. The latest set of reliability principles and the latest set of characteristics associated with an adequate level of reliability are posted on the Reliability Standards Resources web page.

<sup>2</sup> The latest set of market interface principles is posted on the Reliability Standards Resources web page.



*under what conditions (if any), shall perform what action, to achieve what particular result or outcome.*

- **Risk-based Requirements** define actions by one or more entities that reduce a stated risk to the reliability of the Bulk Power System and can be measured by evaluating a particular product or outcome resulting from the required actions. A risk-based reliability requirement should be framed as: *who, under what conditions (if any), shall perform what action, to achieve what particular result or outcome that reduces a stated risk to the reliability of the Bulk Power System.*
- **Capability-based Requirements** define capabilities needed by one or more entities to perform reliability functions and can be measured by demonstrating that the capability exists as required. A capability-based reliability requirement should be framed as: *who, under what conditions (if any), shall have what capability, to achieve what particular result or outcome to perform an action to achieve a result or outcome or to reduce a risk to the reliability of the Bulk Power System.*

The body of reliability Requirements collectively provides a defense-in-depth strategy supporting reliability of the Bulk Power System.

### 2.5: Elements of a Reliability Standard

A Reliability Standard includes several components designed to work collectively to identify what entities must do to meet their reliability-related obligations as an owner, operator or user of the Bulk Power System.

The components of a Reliability Standard may include the following:

**Title:** A brief, descriptive phrase identifying the topic of the Reliability Standard.

**Number:** A unique identification number assigned in accordance with a published classification system to facilitate tracking and reference to the Reliability Standards.<sup>3</sup>

**Purpose:** The reliability outcome achieved through compliance with the Requirements of the Reliability Standard.

**Applicability:** Identifies which entities are assigned reliability requirements. The specific Functional Entities and Facilities to which the Reliability Standard applies.

**Effective Dates:** Identification of the date or pre-conditions determining when each Requirement becomes effective in each jurisdiction.

**Requirement:** An explicit statement that identifies the Functional Entity responsible, the action or outcome that must be achieved, any conditions achieving the action or outcome, and the reliability-related benefit of the action or outcome. Each Requirement shall be a statement for which compliance is mandatory.

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<sup>3</sup> Reliability Standards shall be numbered in accordance with the NERC Standards Numbering Convention as provide on the Reliability Standards Resources web page.

**Compliance Elements:** Elements to aid in the administration of ERO compliance monitoring and enforcement responsibilities.<sup>4</sup>

- **Measure:** Provides identification of the evidence or types of evidence that may demonstrate compliance with the associated requirement.
- **Violation Risk Factors and Violation Severity Levels:** Violation risk factors (VRFs) and violation severity levels (VSLs) are used as factors when determining the size of a penalty or sanction associated with the violation of a requirement in an approved reliability standard.<sup>5</sup> Each requirement in each reliability standard has an associated VRF and a set of VSLs. VRFs and VSLs are developed by the drafting team, working with NERC Staff, at the same time as the associated reliability standard, but are not part of the reliability standard. The Board of Trustees is responsible for approving VRFs and VSLs.
  - **Violation Risk Factors**  
VRFs identify the potential reliability significance of noncompliance with each requirement. Each requirement is assigned a VRF in accordance with the latest approved set of VRF criteria.<sup>6</sup>
  - **Violation Severity Levels**  
VSLs define the degree to which compliance with a requirement was not achieved. Each requirement shall have at least one VSL. While it is preferable to have four VSLs for each requirement, some requirements do not have multiple “degrees” of noncompliant performance and may have only one, two, or three VSLs. Each requirement is assigned one or more VSLs in accordance with the latest approved set of VSL criteria.<sup>7</sup>

**Version History:** The version history is provided for informational purposes and lists information regarding prior versions of Reliability Standards.

**Variance:** A Requirement (to be applied in the place of the continent-wide Requirement) that is applicable to a specific geographic area or to a specific set of Registered Entities.

**Compliance Enforcement Authority:** The entity that is responsible for assessing performance or outcomes to determine if an entity is compliant with the associated Reliability Standard. The Compliance Enforcement Authority will be NERC or the Regional Entity in their respective roles of monitoring and enforcing compliance with the NERC Reliability Standards.

**Application guidelines:** Guidelines to support the implementation of the associated Reliability Standard.

**Procedures:** Procedures to support implementation of the associated Reliability Standard.

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<sup>4</sup> It is the responsibility of the ERO staff to develop compliance tools for each standard; these tools are not part of the standard but are referenced in this manual because the preferred approach to developing these tools is to use a transparent process that leverages the technical and practical expertise of the drafting team and ballot pool..

<sup>5</sup> The *Sanction Guidelines of the North American Electric Reliability Corporation* identifies the factors used to determine a penalty or sanction for violation of reliability standard and is posted on the NERC Web Site.

<sup>6</sup> The latest set of approved VRF Criteria is posted on the Reliability Standards Resources Web Page.

<sup>7</sup> The latest set of approved VSL Criteria is posted on the Reliability Standards Resources Web Page.

## Elements of a Reliability Standard

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The only mandatory and enforceable components of a Reliability Standard are the: (1) applicability, (2) Requirements, and the (3) effective dates. The additional components are included in the Reliability Standard for informational purposes, to establish the relevant scope and technical paradigm, and to provide guidance to Functional Entities concerning how compliance will be assessed by the Compliance Enforcement Authority.

## Section 3.0: Reliability Standards Program Organization

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### 3.1: Board of Trustees

The NERC Board of Trustees shall consider for adoption Reliability Standards, definitions, Variances and Interpretations and associated implementation plans that have been processed according to the processes identified in this manual. Once the Board adopts a Reliability Standard, definition, Variance or Interpretation, the Board shall direct NERC Staff to file the document(s) for approval with Applicable Governmental Authorities.

### 3.2: Registered Ballot Body

The Registered Ballot Body comprises all entities or individuals that qualify for one of the Segments approved by the Board of Trustees<sup>8</sup>, and are registered with NERC as potential ballot participants in the voting on Reliability Standards. Each member of the Registered Ballot Body is eligible to join the ballot pool for each Reliability Standard action.

### 3.3: Ballot Pool

Each Reliability 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 request to participate in that particular Reliability Standard action. The ballot pool votes on each Reliability Standards action. The ballot pool remains in place until all balloting related to that Reliability Standard action has been completed.

### 3.4: Standards Committee

The Standards Committee serves at the pleasure and direction of the NERC Board of Trustees, and the Board approves the Standards Committee's Charter.<sup>9</sup> Standards Committee members are elected by their respective Segment's stakeholders. The Standards Committee consists of two members of each of the Segments in the Registered Ballot Body.<sup>10</sup> A member of the NERC Reliability Standards Staff shall serve as the non-voting secretary to the Standards Committee.

The Standards Committee is responsible for managing the Reliability Standards processes for development of Reliability Standards, definitions, Variances and Interpretations in accordance with this manual. The responsibilities of the Standards Committee are defined in detail in the Standards Committee's Charter. The Standards Committee is responsible for ensuring that the Reliability Standards, definitions, Variances and Interpretations developed by drafting teams are developed in accordance with the processes in this manual and meet NERC's benchmarks for Reliability Standards as well as criteria for governmental approval.<sup>11</sup>

The Standards Committee has the right to remand work to a drafting team, to reject the work of a drafting team, or to accept the work of a drafting team. The Standards Committee may disband a drafting team if it determines (a) that the drafting team is not producing a standard in a timely manner; (b) the drafting team

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<sup>8</sup> The industry Segment qualifications are described in the Development of the Registered Ballot Body and Segment Qualification Guidelines document posted on the Reliability Standards Resources web page and are included in Appendix 3D of the NERC Rules of Procedure.

<sup>9</sup> The Standards Committee Charter is posted on the Reliability Standards Resources web page.

<sup>10</sup> In addition to balanced 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.

<sup>11</sup> The Ten Benchmarks of an Excellent Reliability Standard and FERC's Criteria for Approving Reliability Standards are posted on the Reliability Standards Resources web page.

is not able to produce a standard that will achieve industry consensus; (c) the drafting team has not addressed the scope of the SAR; or (d) the drafting team has failed to fully address a regulatory directive or otherwise provided a responsive or equally efficient and effective alternative. The Standards Committee may direct a drafting team to revise its work to follow the processes in this manual or to meet the criteria for NERC's benchmarks for Reliability Standards, or to meet the criteria for governmental approval; however, the Standards Committee shall not direct a drafting team to change the technical content of a draft Reliability Standard.

The Standards Committee shall meet at regularly scheduled intervals (either in person, or by other means). All Standards Committee meetings are open to all interested parties.

### **3.5: NERC Reliability Standards Staff**

The NERC Reliability Standards Staff, led by the Director of Standards, is responsible for administering NERC's Reliability Standards processes in accordance with this manual. The NERC Reliability Standards Staff provides support to the Standards Committee in managing the Reliability Standards processes and in supporting the work of all drafting teams. The NERC Reliability Standards Staff works to ensure the integrity of the Reliability Standards processes and consistency of quality and completeness of the Reliability Standards. The NERC Reliability Standards Staff facilitates all steps in the development of Reliability Standards, definitions, Variances, Interpretations and associated implementation plans.

The NERC Reliability Standards Staff is responsible for presenting Reliability Standards, definitions, Variances, and Interpretations to the NERC Board of Trustees for adoption. When presenting Reliability Standards-related documents to the NERC Board of Trustees for adoption or approval, the NERC Reliability Standards Staff shall report the results of the associated stakeholder ballot, including identification of unresolved stakeholder objections and an assessment of the document's practicality and enforceability.

### **3.6: Drafting Teams**

The Standards Committee shall appoint industry experts to drafting teams to work with stakeholders in developing and refining Standard Authorization Requests ("SARs"), Reliability Standards, definitions, and Variances. The NERC Reliability Standards Staff shall appoint drafting teams that develop Interpretations. The NERC Reliability Standards Staff shall provide, or solicit from the industry, essential support for each of the drafting teams in the form of technical writers, legal, compliance, and rigorous and highly trained project management and facilitation support personnel.

Each drafting team may consist of a group of technical, legal, and compliance experts that work cooperatively with the support of the NERC Reliability Standards Staff.<sup>12</sup> The technical experts provide the subject matter expertise and guide the development of the technical aspects of the Reliability Standard, assisted by technical writers, legal and compliance experts. The technical experts maintain authority over the technical details of the Reliability Standard. Each drafting team appointed to develop a Reliability Standard is responsible for following the processes identified in this manual as well as procedures developed by the Standards Committee from the inception of the assigned project through the final acceptance of that project by Applicable Governmental Authorities.

Collectively, each drafting team:

- Drafts proposed language for the Reliability Standards, definitions, Variances, and/or Interpretations and associated implementation plans.

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<sup>12</sup> The detailed responsibilities of drafting teams are outlined in the Drafting Team Guidelines, which is posted on the Reliability Standards Resources web page.

- Develops and refines technical documents that aid in the understanding of Reliability Standards.
- Works collaboratively with NERC Compliance Monitoring and Enforcement Staff to develop Reliability Standard Audit Worksheets (“RSAWs”) at the same time Reliability Standards are developed.
- Provides assistance to NERC Staff in the development of Compliance Elements of proposed Reliability Standards.
- Solicits, considers, and responds to comments related to the specific Reliability Standards development project.
- Participates in industry forums to help build consensus on the draft Reliability Standards, definitions, Variances, and/or Interpretations and associated implementation plans.
- Assists in developing the documentation used to obtain governmental approval of the Reliability Standards, definitions, Variances, and/or Interpretations and associated implementation plans.

All drafting teams report to the Standards Committee.

### **3.7: Governmental Authorities**

The Federal Energy Regulatory Commission (“FERC”) in the United States of America, and where permissible by statute or regulation, the provincial government of each of the eight Canadian Provinces (Manitoba, Nova Scotia, Saskatchewan, Alberta, Ontario, British Columbia, New Brunswick and Quebec) and the National Energy Board of Canada have the authority to approve each new, revised or withdrawn Reliability Standard, definition, Variance, VRF, VSL and Interpretation following adoption or approval by the NERC Board of Trustees.

### **3.8: Committees, Subcommittees, Working Groups, and Task Forces**

NERC’s technical committees, subcommittees, working groups, and task forces provide technical research and analysis used to justify the development of new Reliability Standards and provide guidance, when requested by the Standards Committee, in overseeing field tests or collection and analysis of data. The technical committees, subcommittees, working groups, and task forces provide feedback to drafting teams during both informal and formal comment periods.

The Standards Committee may request that a NERC technical committee or other group prepare a Technical document to support development of a proposed Reliability Standard.

The technical committees, subcommittees, working groups, and task forces share their observations regarding the need for new or modified Reliability Standards or Requirements with the NERC Reliability Standards Staff for use in identifying the need for new Reliability Standards projects for the three-year *Reliability Standards Development Plan*.

### **3.9: Compliance and Certification Committee**

The Compliance and Certification Committee is responsible for monitoring NERC’s compliance with its Reliability Standards processes and procedures and for monitoring NERC’s compliance with the Rules of Procedure regarding the development of new or revised Reliability Standards, definitions, Variances, and Interpretations. The Compliance and Certification Committee may assist in verifying that each proposed Reliability Standard is enforceable as written before the Reliability Standard is posted for formal stakeholder comment and balloting.

### **3.10: Compliance Monitoring and Enforcement Program**

As applicable, the NERC Compliance Monitoring and Enforcement Program Staff manages and enforces compliance with approved Reliability Standards. Compliance Monitoring and Enforcement Staff are responsible for the development of select compliance tools. The drafting team and the Compliance Monitoring and Enforcement Program Staff shall work together during the Reliability Standard development process to ensure an accurate and consistent understanding of the Requirements and their intent, and to ensure that applicable compliance tools accurately reflect that intent. The goal of this collaboration is to ensure that application of the Reliability Standards in the Compliance Monitoring and Enforcement Program by NERC and the Regional Entities is consistent.

The Compliance Monitoring and Enforcement Program is encouraged to share its observations regarding the need for new or modified Requirements with the NERC Reliability Standards Staff for use in identifying the need for new Reliability Standards projects.

### **3.11: North American Energy Standards Board (“NAESB”)**

While NERC has responsibility for developing Reliability Standards to support reliability, NAESB has responsibility for developing business practices and coordination between reliability and business practices as needed. NERC and NAESB developed and approved a procedure<sup>13</sup> to guide the development of Reliability Standards and business practices where the reliability and business practice components are intricately entwined within a proposed Reliability Standard.

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<sup>13</sup> The NERC NAESB Template Procedure for Joint Standards Development and Coordination is posted on the Reliability Standards Resources web page.

## Section 4.0: Process for Developing, Modifying, Withdrawing or Retiring a Reliability Standard

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There are several steps to the development, modification, withdrawal or retirement of a Reliability Standard.<sup>14</sup>

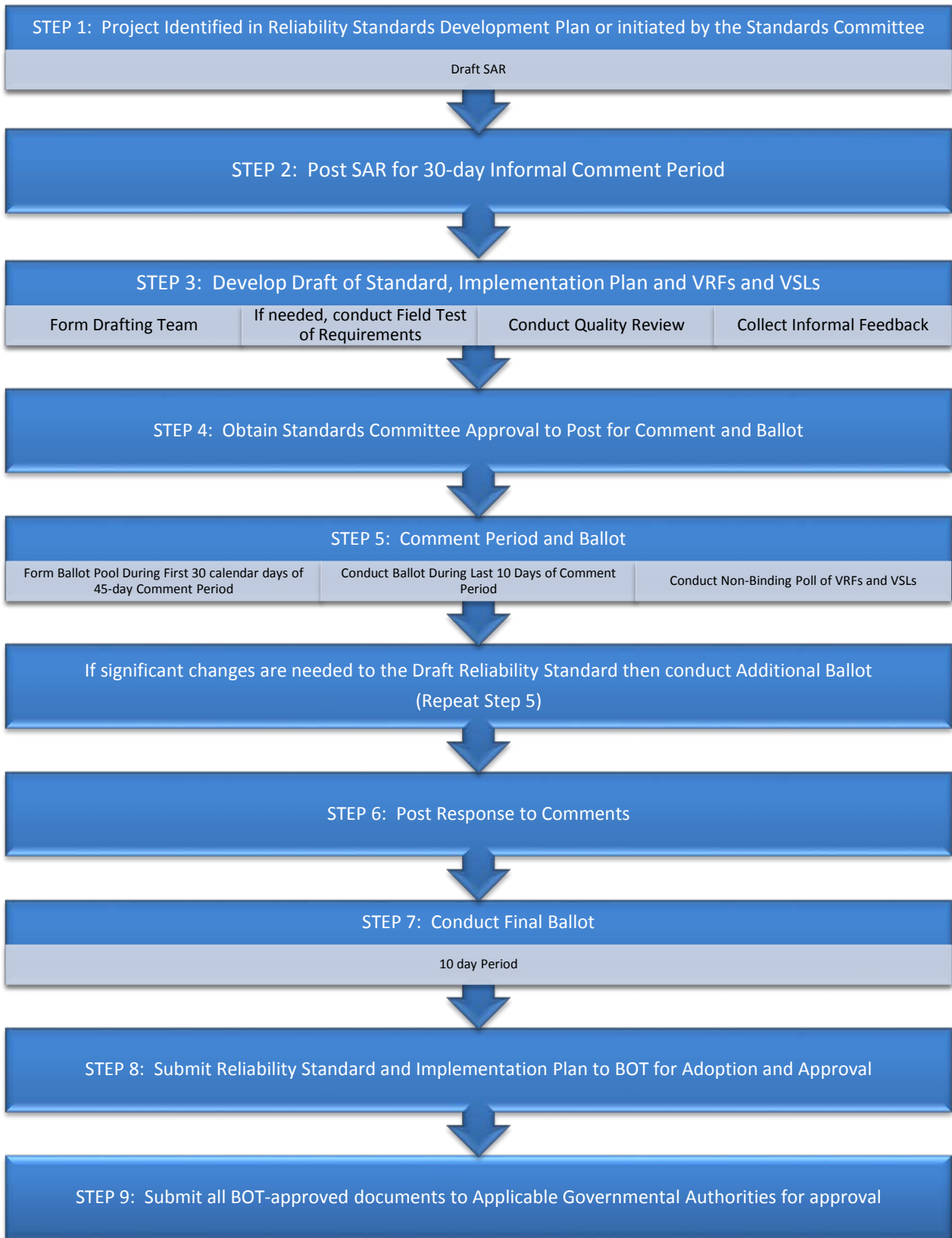
The development of the *Reliability Standards Development Plan* is the appropriate forum for reaching agreement on whether there is a need for a Reliability Standard and the scope of a proposed Reliability Standard. A typical process for a project identified in the *Reliability Standards Development Plan* that involves a revision to an existing Reliability Standard is shown below. Note that most projects do not include a field test.

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<sup>14</sup> The process described is also applicable to projects used to propose a new or modified definition or Variance or to propose retirement of a definition or Variance.



## Process for Developing, Modifying, Withdrawing or Retiring a Reliability Standard



**FIGURE 1: Process for Developing or Modifying a Reliability Standard**

#### 4.1: Posting and Collecting Information on SARs

##### Standard Authorization Request

A Standard Authorization Request (“SAR”) is the form used to document the scope and reliability benefit of a proposed project for one or more new or modified Reliability Standards or definitions or the benefit of retiring one or more approved Reliability Standards. Any entity or individual, including NERC committees or subgroups and NERC Staff, may propose the development of a new or modified Reliability Standard, or may propose the retirement of a Reliability Standard (in whole or in part), by submitting a completed SAR<sup>15</sup> to the NERC Reliability Standards Staff. The Standards Committee has the authority to approve the posting of all SARs for projects that propose (i) developing a new or modified Reliability Standard or definition or (ii) propose retirement of an existing Reliability Standard (or elements thereof).

The NERC Reliability Standards Staff sponsors an open solicitation period each year seeking ideas for new Reliability Standards projects (using *Reliability Standards Suggestions and Comments forms*). The open solicitation period is held in conjunction with the annual revision to the *Reliability Standards Development Plan*. While the Standards Committee prefers that ideas for new projects be submitted during this annual solicitation period through submittal of a *Reliability Standards Suggestions and Comments Form*,<sup>16</sup> a SAR proposing a specific project may be submitted to the NERC Reliability Standards Staff at any time.

Each SAR that proposes a “new” or substantially revised Reliability Standard or definition should be accompanied by a technical justification that includes, as a minimum, a discussion of the reliability-related benefits and costs of developing the new Reliability Standard or definition, and a technical foundation document (e.g., research paper) to guide the development of the Reliability Standard or definition. The technical document should address the engineering, planning and operational basis for the proposed Reliability Standard or definition, as well as any alternative approaches considered during SAR development.

The NERC Reliability Standards Staff shall review each SAR and work with the submitter to verify that all required information has been provided. All properly completed SARs shall be submitted to the Standards Committee for action at the next regularly scheduled Standards Committee meeting.

When presented with a SAR, the Standards Committee shall determine if the SAR is sufficiently complete to guide Reliability Standard development and whether the SAR is consistent with this manual. The Standards Committee shall take one of the following actions:

- Accept the SAR.
- Remand the SAR back to the requestor or to NERC Reliability Standards Staff for additional work.
- Reject the SAR. The Standards Committee may reject a SAR for good cause. If the Standards Committee rejects a SAR, it shall provide a written explanation for rejection to the sponsor within ten days of the rejection decision.
- Delay action on the SAR pending one of the following: (i) development of a technical justification for the proposed project; or (ii) consultation with another NERC Committee to determine if there is another approach to addressing the issue raised in the SAR.

If the Standards Committee is presented with a SAR that proposes developing a new Reliability Standard or definition but does not have a technical justification upon which the Reliability Standard or definition can be developed, the Standards Committee shall direct the NERC Reliability Standards Staff to post the

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<sup>15</sup> The SAR form can be downloaded from the Reliability Standards Resources web page.

<sup>16</sup> The *Reliability Standards Suggestions and Comments Form* can be downloaded from the Reliability Standards Resources web page.

## Process for Developing, Modifying, Withdrawing or Retiring a Reliability Standard

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SAR for a 30-day comment period solely to collect stakeholder feedback on the scope of technical foundation, if any, needed to support the proposed project. If a technical foundation is determined to be necessary, the Standards Committee shall solicit assistance from NERC's technical committees or other industry experts to provide that foundation before authorizing development of the associated Reliability Standard or definition.

During the SAR comment process, the drafting team may become aware of potential regional Variances related to the proposed Reliability 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 shall be made a part of the draft new or revised Reliability Standard.

If the Standards Committee accepts a SAR, the project shall be added to the list of approved projects. The Standards Committee shall assign a priority to the project, relative to all other projects under development, and those projects already identified in the *Reliability Standards Development Plan* that are already approved for development.

The Standards Committee shall work with the NERC Reliability Standards Staff to coordinate the posting of SARs for new projects, giving consideration to each project's priority.

### **4.2: SAR Posting**

When the Standards Committee determines it is ready to initiate a new project, the Standards Committee shall direct NERC Staff to post the project's SAR in accordance with the following:

- For SARs that are limited to addressing regulatory directives, or revisions to Reliability Standards that have had some vetting in the industry, authorize posting the SAR for a 30-day informal comment period with no requirement to provide a formal response to the comments received.
- For SARs that address the development of new projects or Reliability Standards, authorize posting the SAR for a 30-day formal comment period.

If a SAR for a new Reliability Standard is posted for a formal comment period, the Standards Committee shall appoint a drafting team to work with the NERC Staff coordinator to give prompt consideration of the written views and objections of all participants. The Standards Committee may use a public nomination process to populate the Reliability Standard drafting team, or may use another method that results in a team that collectively has the necessary technical expertise and work process skills to meet the objectives of the project. In some situations, an *ad hoc* team may already be in place with the requisite expertise, competencies, and diversity of views that are necessary to refine the SAR and develop the Reliability Standard, and additional members may not be needed. The drafting team shall address all comments submitted, which may be in the form of a summary response addressing each of the issues raised in comments received, during the public posting period. 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. If the drafting team concludes that there is not sufficient stakeholder support to continue to refine the SAR, the team may recommend that the Standards Committee direct curtailment of work on the SAR.

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. The Standards Committee shall notify the sponsor in writing of the rejection within 10 calendar days.

If stakeholders indicate support for the project proposed with the SAR, the drafting team shall present its work to the Standards Committee with a request that the Standards Committee authorize development of the associated Reliability Standard.

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

- Authorize drafting the proposed Reliability Standard or revisions to a Reliability Standard.
- Reject the SAR with a written explanation to the sponsor and post that explanation.

### **4.3: Form Drafting Team**

When the Standards Committee is ready to have a drafting team begin work on developing a new or revised Reliability Standard, the Standards Committee shall appoint a drafting team, if one was not already appointed to develop the SAR. If the Standards Committee appointed a drafting team to refine the SAR, the same drafting team shall work to develop the associated Reliability Standard.

If no drafting team is in place, then the Standards Committee may use a public nomination process to populate the Reliability Standard drafting team, or may use another method that results in a team that collectively has the necessary technical expertise, diversity of views and work process skills to accomplish the objectives of the project on a timely basis. In some situations, an ad hoc team may already be in place with the requisite expertise, competencies, and diversity of views that are necessary to develop the Reliability Standard, and additional members may not be needed.

The NERC Reliability Standards Staff shall provide one or more members as needed to support the team with facilitation, project management, compliance, legal, regulatory and technical writing expertise and shall provide administrative support to the team, guiding the team through the steps in completing its project. In developing the Reliability Standard, the individuals provided by the NERC Reliability Standards Staff serve as advisors to the drafting team and do not have voting rights but share accountability along with the drafting team members assigned by the Standards Committee for timely delivery of a final draft Reliability Standard that meets the quality attributes identified in NERC's Benchmarks for Excellent Standards. The drafting team members assigned by the Standards Committee shall have final authority over the technical details of the Reliability Standard, while the technical writer shall provide assistance to the drafting team in assuring that the final draft of the Reliability Standard meets the quality attributes identified in NERC's Benchmarks for Excellent Standards.

Once it is appointed by the Standards Committee, the Reliability Standard drafting team is responsible for making recommendations to the Standards Committee regarding the remaining steps in the Reliability Standards process. Consistent with the need to provide for timely standards development, the Standards Committee may decide a project is so large that it should be subdivided and either assigned to more than one drafting team or assigned to a single drafting team with clear direction on completing the project in specified phases. The normally expected timeframes for standards development within the context of this manual are applicable to individual standards and not to projects containing multiple standards. Alternatively, a single drafting team may address the entire project with a commensurate increase in the expected duration of the development work. If a SAR is subdivided and assigned to more than one drafting team, each drafting team will have a clearly defined portion of the work such that there are no overlaps and no gaps in the work to be accomplished.

The Standards Committee may supplement the membership of a Reliability Standard drafting team or provide for additional advisors, as appropriate, to ensure the necessary competencies and diversity of views are maintained throughout the Reliability Standard development effort.

### **4.4: Develop Preliminary Draft of Reliability Standard, Implementation Plan and VRFs and VSLs**

#### **4.4.1: Project Schedule**

When a drafting team begins its work, either in refining a SAR or in developing or revising a proposed Reliability Standard, the drafting team shall develop a project schedule which shall be approved by the Standards Committee. The drafting team shall report progress to the Standards Committee, against the initial project schedule and any revised schedule as requested by the Standards Committee. Where project milestones cannot be completed on a timely basis, modifications to the project schedule must be presented to the Standards Committee for consideration along with proposed steps to minimize unplanned project delays.

### **4.4.2: Draft Reliability Standard**

The team shall develop a Reliability Standard that is within the scope of the associated SAR that includes all required elements as described earlier in this manual with a goal of meeting the quality attributes identified in NERC's Benchmarks for Excellent Standards and criteria for governmental approval. The team shall document its justification for the Requirements in its proposed Reliability Standard by explaining how each meets these criteria. The standard drafting team shall document its justification for selecting each reference by explaining how each Requirement fits the category chosen.

### **4.4.3: Implementation Plan**

As a drafting team drafts its proposed revisions to a Reliability Standard, that team is also required to develop an implementation plan to identify any factors for consideration when approving the proposed effective date or dates for the associated Reliability Standard or Standards. As a minimum, the implementation plan shall include the following:

- The proposed effective date (the date entities shall be compliant) for the Requirements.
- Identification of any new or modified definitions that are proposed for approval with the associated Reliability Standard.
- Whether there are any prerequisite actions that need to be accomplished before entities are held responsible for compliance with one or more of the Requirements.
- Whether approval of the proposed Reliability Standard will necessitate any conforming changes to any already approved Reliability Standards – and identification of those Reliability Standards and Requirements.
- The Functional Entities that will be required to comply with one or more Requirements in the proposed Reliability Standard.

A single implementation plan may be used for more than one Reliability Standard. The implementation plan is posted with the associated Reliability Standard or Standards during the 45 (calendar) day formal comment period and is balloted with the associated Reliability Standard.

### **4.4.4: Violation Risk Factors and Violation Severity Levels**

The drafting team shall work with NERC Staff in developing a set of VRFs and VSLs that meet the latest criteria established by NERC and Applicable Governmental Authorities. The drafting team shall document its justification for selecting each VRF and for setting each set of proposed VSLs by explaining how its proposed VRFs and VSLs meet these criteria. NERC Staff is responsible for ensuring that the VRFs and VSLs proposed for stakeholder review meet these criteria.

Before the drafting team has finalized its Reliability Standard, implementation plan, and VRFs and VSLs, the team should seek stakeholder feedback on its preliminary draft documents.

### **4.5: Informal Feedback<sup>17</sup>**

Drafting teams may use a variety of methods to collect informal stakeholder feedback on preliminary drafts of its documents, including the use of informal comment periods,<sup>18</sup> webinars, industry meetings, workshops, or other mechanisms. Information gathered from informal comment forms shall be publicly posted. While drafting teams are not required to provide a written response to each individual comment received, drafting teams are encouraged, where possible, to post a summary response that identifies how it used comments submitted by stakeholders. Drafting teams are encouraged, where possible, to reach out directly to individual stakeholders in order to facilitate resolution of identified stakeholder concerns. The intent is to gather stakeholder feedback on a “working document” before the document reaches the point where it is considered the “final draft.”

### **4.6: Conduct Quality Review**

The NERC Reliability Standards Staff shall coordinate a quality review of the Reliability Standard, implementation plan, and VRFs and VSLs in parallel with the development of the Reliability Standard and implementation plan, to assess whether the documents are within the scope of the associated SAR, whether the Reliability Standard is clear and enforceable as written, and whether the Reliability Standard meets the criteria specified in NERC’s Benchmarks for Excellent Standards and criteria for governmental approval of Reliability Standards. The drafting team shall consider the results of the quality review, decide upon appropriate changes, and recommend to the Standards Committee whether the documents are ready for formal posting and balloting.

The Standards Committee shall authorize posting the proposed Reliability Standard, and implementation plan for a formal comment period and ballot and the VRFs and VSLs for a non-binding poll as soon as the work flow will accommodate.

If the Standards Committee finds that any of the documents do not meet the specified criteria, the Standards Committee shall remand the documents to the drafting team for additional work.

If the Reliability Standard is outside the scope of the associated SAR, the drafting team shall be directed to either revise the Reliability Standard so that it is within the approved scope, or submit a request to expand the scope of the approved SAR. If the Reliability Standard is not clear and enforceable as written, or if the Reliability Standard does not meet the specified criteria, the Reliability Standard shall be returned to the drafting team by the Standards Committee with specific identification of any Requirement that is deemed to be unclear or unenforceable as written.

### **4.7: Conduct Formal Comment Period and Ballot**

Proposed new or modified Reliability Standards require a formal comment period where the new or modified Reliability Standard, implementation plan and associated VRFs and VSLs or the proposal to retire a Reliability Standard, implementation plan and associated VRFs and VSLs are posted.

The formal comment period shall be at least 45-days long. Formation of the ballot pool and Ballot of the Reliability Standard take place during this formal 45-day comment period. The intent of the formal comment period(s) is to solicit very specific feedback on the final draft of the Reliability Standard, implementation plan and VRFs and VSLs.

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<sup>17</sup> While this discussion focuses on collecting stakeholder feedback on proposed Reliability Standards and implementation plans, the same process is used to collect stakeholder feedback on proposed new or modified Interpretations, definitions and Variances.

<sup>18</sup> The term “informal comment period” refers to a comment period conducted outside of the ballot process and where there is no requirement for a drafting team to respond in writing to submitted comments.

Comments in written form may be submitted on a draft Reliability Standard by any interested stakeholder, including NERC Staff, FERC Staff, and other interested governmental authorities. If stakeholders disagree with some aspect of the proposed set of products, comments provided should explain the reasons for such disagreement and, where possible, suggest specific language that would make the product acceptable to the stakeholder.

### **4.8: Form Ballot Pool**

The NERC Reliability Standards Staff shall establish a ballot pool during the first 30 calendar days of the 45-day formal comment period. The NERC Reliability Standards Staff shall post the proposed Reliability Standard, along with its implementation plan, VRFs and VSLs and shall send a notice to every entity in the Registered Ballot Body to provide notice that there is a new or revised Reliability Standard proposed for approval and to solicit participants for the associated ballot pool. All members of the Registered Ballot Body are eligible to join each ballot pool to vote on a new or revised Reliability Standard and its implementation plan and to participate in the non-binding poll of the associated VRFs and VSLs.

Any member of the Registered Ballot Body may join or withdraw from the ballot pool until the ballot window opens. No Registered Ballot Body member may join or withdraw from the ballot pool once the first ballot starts through the point in time where balloting for that Reliability Standard action has ended. The Director of Standards may authorize deviations from this rule for extraordinary circumstances such as the death, retirement, or disability of a ballot pool member that would prevent an entity that had a member in the ballot pool from eligibility to cast a vote during the ballot window. Any approved deviation shall be documented and noted to the Standards Committee.

### **4.9: Conduct Ballot and Non-binding Poll of VRFs and VSLs<sup>19</sup>**

The NERC Reliability Standards Staff shall announce the opening of the Ballot window and the non-binding poll of VRFs and VSLs. The Ballot window and non-binding poll of VRFs and VSLs shall take place during the last 10 calendar days of the 45-day formal comment period and for the Final Ballot shall be no less than 10 calendar days. If the last day of the ballot window falls on a Saturday or Sunday, the period does not end until the next business day.<sup>20</sup>

The ballot and non-binding poll shall be conducted electronically. The voting window shall be for a period of 10 calendar days but shall be extended, if needed, until a quorum is achieved. During a ballot window, NERC shall not sponsor or facilitate public discussion of the Reliability Standard action under ballot.

There is no requirement to conduct a new non-binding poll of the revised VRFs and VSLs if no changes were made to the associated standard, however if the requirements are modified and conforming changes are made to the associated VRFs and VSLs, another non-binding poll of the revised VRFs and VSLs shall be conducted.

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<sup>19</sup> While RSAWs are not part of the Reliability Standard, they are developed through collaboration of the SDT and NERC Compliance Staff. A non-binding poll, similar to what is done for VRFs and VSLs may be conducted for the RSAW developed through this process to gauge industry support for the companion RSAW to be provided for informational purposes to the NERC Board of Trustees.

<sup>20</sup> Closing dates may be extended as deemed appropriate by NERC Staff.

#### 4.10: Criteria for Ballot Pool Approval

Ballot pool approval of a Reliability Standard requires:

A quorum, which is established by at least 75% of the members of the ballot pool submitting a response; and

A two-thirds majority of the weighted Segment votes cast shall be affirmative. The number of votes cast is the sum of affirmative votes and negative votes with comments. This calculation of votes for the purpose of determining consensus excludes (i) abstentions, (ii) non-responses, and (iii) negative votes without comments.

The following process<sup>21</sup> is used to determine if there are sufficient affirmative votes.

- For each Segment with ten or more voters, the following process shall be used: The number of affirmative votes cast shall be divided by the sum of affirmative and negative votes with comments cast to determine the fractional affirmative vote for that Segment. Abstentions, non-responses, and negative votes without comments shall not be counted for the purposes of determining the fractional affirmative vote for a Segment.
- For each Segment with less than ten voters, the vote weight of that Segment shall be proportionally reduced. Each voter within that Segment voting affirmative or negative with comments shall receive a weight of 10% of the Segment vote.
- The sum of the fractional affirmative votes from all Segments divided by the number of Segments voting<sup>22</sup> shall be used to determine if a two-thirds majority has been achieved. (A Segment shall be considered as “voting” if any member of the Segment in the ballot pool casts either an affirmative vote or a negative vote with comments.)
- A Reliability Standard shall be approved if the sum of fractional affirmative votes from all Segments divided by the number of voting Segments is at least two thirds.

#### 4.11: Voting Positions

Each member of the ballot pool may **only** vote one of the following positions on the Ballot and Additional Ballot(s):

- Affirmative;
- Affirmative, with comment;
- Negative with comments;
- Abstain.

Given that there is no formal comment period concurrent with the Final Ballot, each member of the ballot pool may **only** vote one of the following positions on the Final Ballot:

- Affirmative;
- Negative;<sup>23</sup>
- Abstain.

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<sup>21</sup> Examples of weighted segment voting calculation are posted on the Reliability Standards Resources web page.

<sup>22</sup> 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.

<sup>23</sup> The Final Ballot is used to confirm consensus achieved during the Formal Comment and Ballot stage. Ballot Pool members voting negative on the Final Ballot will be deemed to have expressed the reason for their negative ballot in their own comments or the comments of others during prior Formal Comment periods.



### **4.12: Consideration of Comments**

If a stakeholder or balloter proposes a significant revision to a Reliability Standard during the formal comment period or concurrent Ballot that will improve the quality, clarity, or enforceability of that Reliability Standard, then the drafting team may choose to make such revisions and post the revised Reliability Standard for another 45 calendar day public comment period and ballot. Prior to posting the revised Reliability Standard for an additional comment period, the drafting team must communicate this decision to stakeholders. This communication is intended to inform stakeholders that the drafting team has identified that significant revisions to the Reliability Standard are necessary and should note that the drafting team is not required to respond in writing to comments from the previous ballot. The drafting team will respond to comments received in the last Additional Ballot prior to conducting a Final Ballot.

There is no formal comment period concurrent with the Final Ballot and no obligation for the drafting team to respond to any comments submitted during the Final Ballot.

### **4.13: Additional Ballots**

A drafting team must respond in writing to every stakeholder written comment submitted in response to a ballot prior to conducting a Final Ballot. These responses may be provided in summary form, but all comments and objections must be responded to by the drafting team. All comments received and all responses shall be publicly posted.

However, a drafting team is not required to respond in writing to comments to the previous ballot when it determines that significant changes are needed and an Additional Ballot will be conducted.

### **4.14: Conduct Final Ballot**

When the drafting team has reached a point where it has made a good faith effort at resolving applicable objections and is not making any substantive changes from the previous ballot, the team shall conduct a “Final Ballot.” A non-substantive revision is a revision that does not change the scope, applicability, or intent of any Requirement and includes but is not limited to things such as correcting the numbering of a Requirement, correcting the spelling of a word, adding an obviously missing word, or rephrasing a Requirement for improved clarity. Where there is a question as to whether a proposed modification is “substantive,” the Standards Committee shall make the final determination.

In the Final Ballot, members of the ballot pool shall again be presented the proposed Reliability Standard along with the reasons for negative votes from the previous ballot, the responses of the drafting team to those concerns, and any resolution of the differences.

All members of the ballot pool shall be permitted to reconsider and change their vote from the prior ballot. Members of the ballot pool who did not respond to the prior ballot shall be permitted to vote in the Final Ballot. In the Final Ballot, votes shall be counted by exception only — members on the Final Ballot may indicate a revision to their original vote; otherwise their vote shall remain the same as in their prior ballot.

### **4.15: Final Ballot Results**

There are no limits to the number of public comment periods and ballots that can be conducted to result in a Reliability Standard or interpretation that is clear and enforceable, and achieves a quorum and sufficient affirmative votes for approval. The Standards Committee has the authority to conclude this process for a particular Reliability Standards action if it becomes obvious that the drafting team cannot develop a Reliability Standard that is within the scope of the associated SAR, is sufficiently clear to be enforceable, and achieves the requisite weighted Segment approval percentage.

The NERC Reliability Standards Staff shall post the final outcome of the ballot process. If the Reliability Standard is rejected, the Standards Committee may decide whether to end all further work on the proposed standard, return the project to informal development, or continue holding ballots to attempt to reach

consensus on the proposed standard. If the Reliability Standard is approved, the Reliability Standard shall be posted and presented to the Board of Trustees by NERC management for adoption and subsequently filed with Applicable Governmental Authorities for approval.

### **4.16: Board of Trustees Adoption of Reliability Standards, Implementation Plan and VRFs and VSLs**

If a Reliability Standard and its associated implementation plan are approved by its ballot pool, the Board of Trustees shall consider adoption of that Reliability Standard and its associated implementation plan and shall direct the standard to be filed with Applicable Governmental Authorities for approval. In making its decision, the Board shall consider the results of the balloting and unresolved dissenting opinions. The Board shall adopt or reject a Reliability Standard and its implementation plan, but shall not modify a proposed Reliability Standard. If the Board chooses not to adopt a Reliability Standard, it shall provide its reasons for not doing so.

The board shall consider approval of the VRFs and VSLs associated with a reliability standard. In making its determination, the board shall consider the following:

- The Standards Committee shall present the results of the non-binding poll conducted and a summary of industry comments received on the final posting of the proposed VRFs and VSLs.
- NERC Staff shall present a set of recommended VRFs and VSLs that considers the views of the standard drafting team, stakeholder comments received on the draft VRFs and VSLs during the posting for comment process, the non-binding poll results, appropriate governmental agency rules and directives, and VRF and VSL assignments for other Reliability Standards to ensure consistency and relevance across the entire spectrum of Reliability Standards.

### **4.17: Compliance**

For a Reliability Standard to be enforceable, it shall be approved by its ballot pool, adopted by the NERC Board of Trustees, and approved by Applicable Governmental Authorities, unless otherwise approved by the NERC Board of Trustees pursuant to the NERC Rules of Procedure (*e.g.*, Section 321) and approved by Applicable Governmental Authorities. Once a Reliability Standard is approved or otherwise made mandatory by Applicable Governmental Authorities, all persons and organizations subject to jurisdiction of the ERO will be required to comply with the Reliability Standard in accordance with applicable statutes, regulations, and agreements.

### **4.18: Withdrawal of a Reliability Standard, Interpretation, or Definition**

The term “withdrawal” as used herein, refers to the discontinuation of a Reliability Standard, Interpretation, Variance or definition that has been approved by the Board of Trustees and (1) has not been filed with Applicable Governmental Authorities, or (2) has been filed with, but not yet approved by, Applicable Governmental Authorities. The Standards Committee may withdraw a Reliability Standard, Interpretation or definition for good cause upon approval by the Board of Trustees. Upon approval by the Board of Trustees, NERC Staff will petition the Applicable Governmental Authorities, as needed, to allow for withdrawal. The Board of Trustees also has an independent right of withdrawal that is unaffected by the terms and conditions of this Section.

### **4.19: Retirement of a Reliability Standard, Interpretation, or Definition**

The term “retirement” refers to the discontinuation of a Reliability Standard, Interpretation or definition that has been approved by Applicable Governmental Authorities. A Reliability Standard, Variance or Definition may be retired when it is superseded by a revised version, and in such cases the retirement of the

## Process for Developing, Modifying, Withdrawing or Retiring a Reliability Standard

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earlier version is to be noted in the implementation plan presented to the ballot pool for approval and the retirement shall be considered approved by the ballot pool upon ballot pool approval of the revised version.

Upon identification of a need to retire a Reliability Standard, Variance, Interpretation or definition, where the item will not be superseded by a new or revised version, a SAR containing the proposal to retire a Reliability Standard, Variance, Interpretation or definition will be posted for a comment period and ballot in the same manner as a Reliability Standard. The proposal shall include the rationale for the retirement and a statement regarding the impact of retirement on the reliability of the Bulk Power System. Upon approval by the Board of Trustees, NERC Staff will petition the Applicable Governmental Authorities to allow for retirement.

## Section 5.0: Process for Developing a Defined Term

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NERC maintains a glossary of approved terms, entitled the *Glossary of Terms Used in NERC Reliability Standards*<sup>24</sup> (“Glossary of Terms”). The Glossary of Terms includes terms that have been through the formal approval process and are used in one or more NERC Reliability Standards. Definitions shall not contain statements of performance Requirements. The Glossary of Terms is intended to provide consistency throughout the Reliability Standards.

There are several methods that can be used to add, modify or retire a defined term used in a continent-wide Reliability Standard.

- Anyone can use a Standard Authorization Request (“SAR”) to submit a request to add, modify, or retire a defined term.
- Anyone can submit a Standards Comments and Suggestions Form recommending the addition, modification, or retirement of a defined term. (The suggestion would be added to a project and incorporated into a SAR.)
- A drafting team may propose to add, modify, or retire a defined term in conjunction with the work it is already performing.

### 5.1: Proposals to Develop a New or Revised Definition

The following considerations should be made when considering proposals for new or revised definitions:

- Some NERC Regional Entities have defined terms that have been approved for use in Regional Reliability Standards, and where the drafting team agrees with a term already defined by a Regional Entity, the same definition should be adopted if needed to support a NERC Reliability Standard.
- If a term is used in a Reliability Standard according to its common meaning (as found in a collegiate dictionary), the term shall not be proposed for addition to the Glossary of Terms.
- If a term has already been defined, any proposal to modify or delete that term shall consider all uses of the definition in approved Reliability Standards, with a goal of determining whether the proposed modification is acceptable, and whether the proposed modification would change the scope or intent of any approved Reliability Standards.
- When practical, where NAESB has a definition for a term, the drafting team shall use the same definition to support a NERC Reliability Standard.

Any definition that is balloted separately from a proposed new or modified Reliability Standard or from a proposal for retirement of a Reliability Standard shall be accompanied by an implementation plan.

If a SAR is submitted to the NERC Reliability Standards Staff with a proposal for a new or revised definition, the Standards Committee shall consider the urgency of developing the new or revised definition and may direct NERC Staff to post the SAR immediately, or may defer posting the SAR until a later time based on its priority relative to other projects already underway or already approved for future development. If the SAR identifies a term that is used in a Reliability Standard already under revision by a drafting team, the Standards Committee may direct the drafting team to add the term to the scope of the existing project. Each time the Standards Committee accepts a SAR for a project that was not identified in the *Reliability Standards Development Plan*, the project shall be added to the list of approved projects.

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<sup>24</sup> The latest approved version of the Glossary of Terms is posted on the NERC website on the Standards web page.

### **5.2: Stakeholder Comments and Approvals**

Any proposal for a new or revised definition shall be processed in the same manner as a Reliability Standard and quality review shall be conducted in parallel with this process. Once authorized by the Standards Committee, the proposed definition and its implementation plan shall be posted for at least one formal stakeholder comment period and shall be balloted in the same manner as a Reliability Standard. If a new or revised definition is proposed by a drafting team, that definition may be balloted separately from the associated Reliability Standard.

Each definition that is approved by its ballot pool shall be submitted to the NERC Board of Trustees for adoption and then filed with Applicable Governmental Authorities for approval in the same manner as a Reliability Standard.

## Section 6.0: Processes for Conducting Field Tests ~~and Collecting and Analyzing Data~~

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While most drafting teams can develop ~~their~~ Reliability Standards without the need to conduct any field tests and without the need to collect and analyze data, some Reliability Standard development efforts may require field tests to analyze data and validate concepts in the development of Reliability Standards. Drafting teams are not required to collect and analyze data or to conduct a field test to validate a Reliability Standard.

### 6.1: Field Tests and Data Analysis ~~for Validation of Concepts~~(collectively “Field Test”)

1. Field ~~t~~Tests ~~or collection and analysis of data~~ to validate concepts that support the development of Requirements should be conducted before the SAR-Standard Authorization Request (“SAR”) for a project is finalized.  
~~If an entity wants to test a technical concept in support of a proposal for a new or revised Reliability Standard, the entity should either work with one of NERC’s technical committees in collecting and analyzing the data or in conducting the field test, or the entity should submit a SAR with a request to collect and analyze data or conduct a field test to validate the concept prior to developing a new or revised Reliability Standard. The request to collect and analyze data or conduct a field test should include, at a minimum, either the data collection and analysis or field test plan, the implementation schedule, and an expectation for periodic updates of the analysis of the results. If the SAR sponsor has not collected and analyzed the data or conducted the field test, the Standards Committee may solicit support from NERC’s technical committees or others in the industry. The results of the data collection and analysis or field test shall then be used to determine whether to add the SAR to the list of projects in the Reliability Standard Development Plan.~~
2. To conduct a Field Test of a technical concept in a proposed new or revised Reliability Standard, the requesting team must work with NERC staff to identify one of NERC’s technical committees to lead the effort in conducting the Field Test.

#### **6.1.1: Field Test Approval**

The request to conduct a Field Test must include, at a minimum:

- the Field Test plan,
- the implementation schedule, and
- an expectation for periodic updates of the analysis of the results.

Prior to the requesting team conducting a Field Test, it must:

- first receive approval from the lead NERC technical committee, and
- subsequently receive approval from the Standards Committee.

#### **6.1.2: Field Test Suspension**

During the Field Test, if the lead NERC technical committee overseeing the Field Test determines there is a reliability risk to the BES:

- the lead NERC technical committee shall stop or modify the activity;
- the lead NERC technical committee shall inform the Standards Committee that the activity was stopped or modified;

- the Standards Committee, with the assistance of NERC staff, shall document the cessation or modification of the Field Test; and
- the Standards Committee shall notify NERC compliance staff to coordinate any compliance related issues such as continuance or cessation of waivers.

Prior to the Field Test being restarted after it has been stopped, the requesting team must resubmit the Field Test and receive approval as outlined in section 6.1.1.

If the Field Test does not provide sufficient information to formulate a conclusion within the time allotted in the plan, the Chair of the Standards Committee will work with the requesting team and the lead NERC technical committee to determine whether to continue, modify or terminate the Field Test.

~~If a drafting team finds that it the requesting team determines a needs to collect and analyze data or conduct a field Field test Test of a concept that was not identified when in the SAR was accepted, then the Standards Committee may direct the team to withdraw the SAR until the data has been collected and analyzed or until the field test has been conducted and the industry has had an opportunity to review the results for the impact on the scope of the proposed project it must create a supplemental SAR to include the Field Test and receive approval as outlined in section 6.1.1.~~

## ~~6.2: Field Tests and Data Analysis for Validation of Requirements~~

~~If a drafting team wants to conduct a field test or collect and analyze data to validate its proposed Requirements in a Reliability Standard, the team shall first obtain approval from the Standards Committee.<sup>25</sup> Drafting teams are not required to collect and analyze data or to conduct a field test to validate a Reliability Standard.~~

~~The request should include at a minimum the data collection and analysis or field test plan, the implementation schedule, and an expectation for periodic updates of the results. When authorizing a drafting team to collect and analyze data or to conduct a field test of one or more Requirements, the Standards Committee may request inputs on technical matters related from NERC's technical committees or industry experts, and may request the assistance of the Compliance Monitoring and Enforcement Program. All data collection and analysis and all field tests shall be concluded and the results incorporated into the Reliability Standard Requirements as necessary before proceeding to the formal comment period and subsequent balloting.~~

## ~~6.32: Communication and Coordination for All Types of Field Tests and Data Analyses~~

~~If the conduct of a field test (concepts or Requirements) or data collection and analysis could After approval of the Field Test, the requesting team may request waivers of compliance for Field Test participants that would be rendered render Registered Entities incapable of complying with the current Requirement(s) of an approved the currently enforceable Reliability Standard that is undergoing revision, the drafting team shall request a temporary waiver from compliance to those Requirements for entities participating in the field test due to their participation. Upon request, the Standards Committee shall seek approval for the waiver from the Compliance Monitoring and Enforcement Program staff prior to the approval of the field test or data collection and analysis shall determine whether to approve the requested waivers, and the Standards staff shall inform the affected registered entities. Prior to initiation of the Field Test, the Chair of the Standards Committee, in conjunction with the lead NERC technical committee chair, shall inform the~~

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<sup>25</sup>~~The Process for Approving Data Collection and Analysis and Field Tests Associated with a Reliability Standard is posted on the Reliability Standards Resources web page.~~

## Processes for Conducting ~~a~~ Field Tests ~~and Collecting and Analyzing Data~~

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NERC Board of the pending Field Test, the expected duration, and any requested waivers from compliance for registered entities.

During the Field Test, the requesting team conducting the Field Test shall provide periodic updates (no less than quarterly) on the progress of the Field Tests to the Standards Committee and the applicable NERC technical committees. The Chair of the Standards Committee shall keep the NERC Board informed.

~~Once a plan for a field test or a plan for data collection and analysis is approved, the NERC Reliability Standards Staff shall, under the direction of the Standards Committee, coordinate the implementation of the field test or data collection and analysis and shall provide official notice to the participants in the field test or data collection of any applicable temporary waiver to compliance with specific noted Requirements. The drafting team conducting the field test shall provide periodic updates on the progress of the field tests or data collection and analysis to the Standards Committee. The Standards Committee has the right to curtail a field test or data collection and analysis that is not implemented in accordance with the approved plan.~~

~~The field test plan or data collection and analysis plan, its approval, its participants, and all reports and results shall be publicly posted for stakeholder review on the Reliability Standards web page.~~

~~If a drafting team conducts or participates in a field test or in data collection and analysis (of concepts or Requirements), it shall provide a final report that identifies the results and how those results will be used.~~



## Section 7.0: Process for Developing an Interpretation

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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. A valid Interpretation response provides additional clarity about one or more Requirements, but does not expand on any Requirement and does not explain how to comply with any Requirement. Any entity that is directly and materially affected by the reliability of the North American Bulk Power Systems may request an Interpretation of any Requirement in any continent-wide Reliability Standard that has been adopted by the NERC Board of Trustees. Interpretations will only be provided for Board of Trustees-approved Reliability Standards *i.e.* (i) the current effective version of a Reliability Standard; or (ii) a version of a Reliability Standard with a future effective date.

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 are subject to Interpretation.

The entity requesting the Interpretation shall submit a *Request for Interpretation* form<sup>26</sup> to the NERC Reliability Standards Staff explaining the clarification required, the specific circumstances surrounding the request, and the impact of not having the Interpretation provided. The NERC Reliability Standards and Legal Staffs shall review the request for interpretation to determine whether it meets the requirements for a valid interpretation. Based on this review, the NERC Standards and Legal Staffs shall make a recommendation to the Standards Committee whether to accept the request for Interpretation and move forward in responding to the Interpretation request.

For example, an Interpretation request may be rejected where it:

- (1) Requests approval of a particular compliance approach;
- (2) Identifies a gap or perceived weakness in the approved Reliability Standard;
- (3) Where an issue can be addressed by an active standard drafting team;
- (4) Where it requests clarification of any element of a Reliability Standard other than a Requirement;
- (5) Where a question has already been addressed in the record;
- (6) Where the Interpretation identifies an issue and proposes the development of a new or modified Reliability Standard, (such issues should be addressed via submission of a SAR);
- (7) Where an Interpretation seeks to expand the scope of a Reliability Standard; or
- (8) Where the meaning of a Reliability Standard is plain on its face.

If the Standards Committee rejects the Interpretation request, it shall provide a written explanation for rejecting the Interpretation to the entity requesting the Interpretation within 10 business days of the decision to reject. If the Standards Committee accepts the Interpretation request, the NERC Standards Staff shall (i) form a ballot pool and (ii) assemble an Interpretation drafting team with the relevant expertise to address the interpretation for approval by the Standards Committee. As soon as practical, the team shall develop a “final draft” Interpretation providing the requested clarity.

Interpretations will be balloted in the same manner as Reliability Standards.

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<sup>26</sup> The *Request for Interpretation* form is posted on the NERC Standards web page.

## Process for Developing an Interpretation

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If stakeholder comments indicate that there is not a consensus for the Interpretation, and the Interpretation drafting team cannot revise the Interpretation without violating the basic expectations outlined above, the Interpretation drafting team shall notify the Standards Committee of its conclusion and may submit a SAR with the proposed modification to the Reliability Standard. The entity that requested the Interpretation shall be notified and the disposition of the Interpretation shall be posted.

If, during its deliberations, the Interpretation drafting team identifies a reliability gap in the Reliability Standard that is highlighted by the Interpretation request, the Interpretation drafting team shall notify the Standards Committee of its conclusion and may submit a SAR with the proposed modification to the Reliability Standard at the same time it provides its proposed Interpretation.

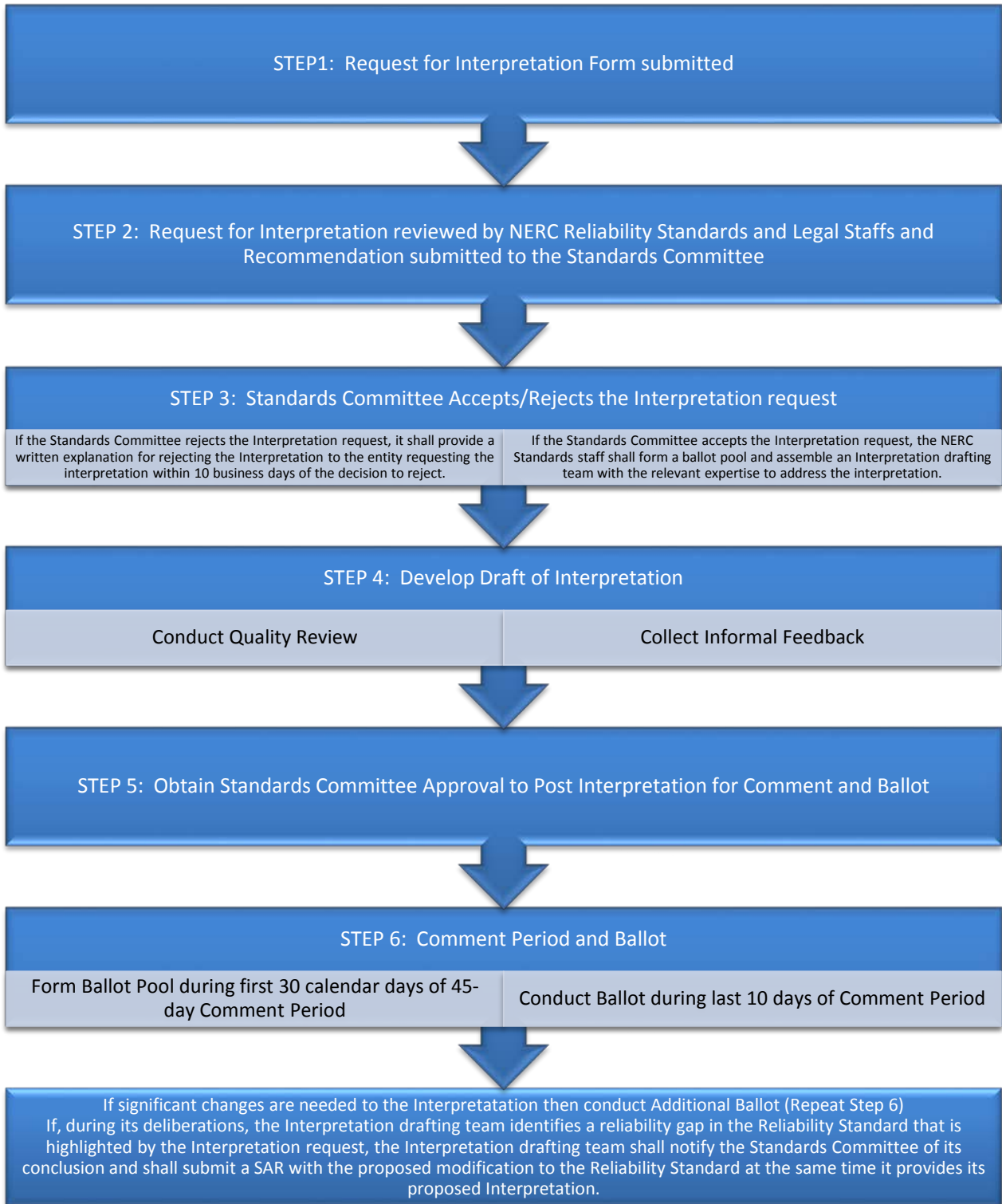
The NERC Reliability Standards and Legal Staffs shall review the final Interpretation to determine whether it has met the requirements for a valid Interpretation. Based on this review, the NERC Standards and Legal Staffs shall make a recommendation to the NERC Board of Trustees regarding adoption.

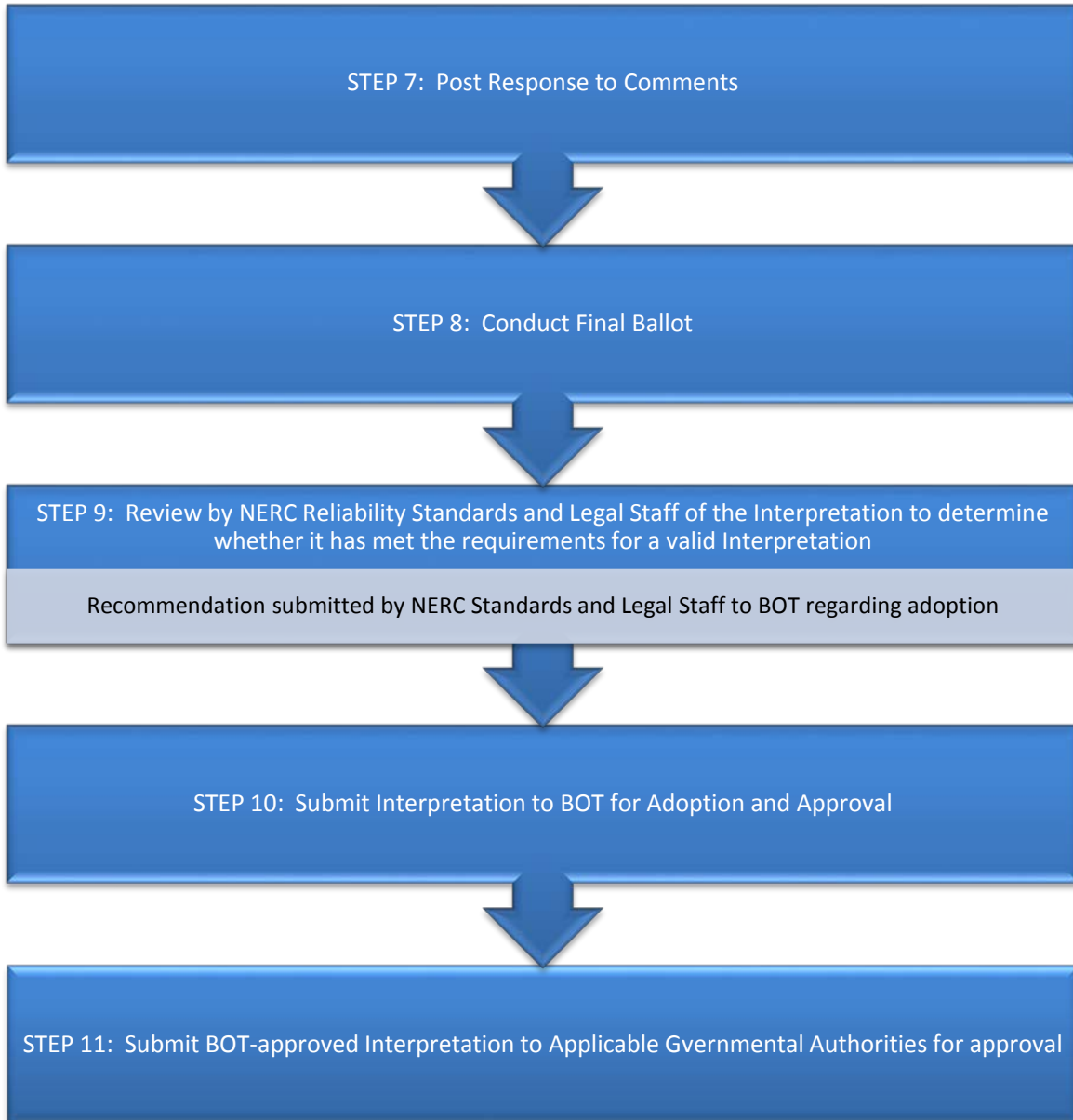
If approved by its ballot pool, the Interpretation shall be forwarded to the NERC Board of Trustees for adoption.<sup>27</sup> If an Interpretation drafting team proposes a modification to a Reliability Standard as part of its work in developing an Interpretation, the Board of Trustees shall be notified of this proposal at the time the Interpretation is submitted for adoption. Following adoption by the Board of Trustees, NERC Staff shall file the Interpretation for approval by Applicable Governmental Authorities and the Interpretation shall become effective when approved by those Applicable Governmental Authorities. The Interpretation shall stand until such time as the Interpretation can be incorporated into a future revision of the Reliability Standard or the Interpretation is retired due to a future modification of the applicable Requirement.

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<sup>27</sup> NERC will maintain a record of all interpretations associated with each standard on the Reliability Standards page of the NERC website.

## Process for Developing an Interpretation





**FIGURE 2: Process for Developing an Interpretation**

## Section 8.0: Process for Appealing an Action or Inaction

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Any entity that has directly and materially affected interests and that has been or will be adversely affected by any procedural action or inaction related to the development, approval, revision, reaffirmation, retirement or withdrawal of a Reliability Standard, definition, Variance, associated implementation plan, or Interpretation shall have the right to appeal. This appeals process applies only to the NERC Reliability Standards processes as defined in this manual, not to the technical content of the Reliability Standards action.

The burden of proof to show adverse effect shall be on the appellant. Appeals shall be made in writing 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. 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.

### **8.1: Level 1 Appeal**

Level 1 is the required first step in the appeals process. The appellant shall submit (to the Director of Standards) a complaint in writing that describes the procedural action or inaction associated with the Reliability Standards process. The appellant shall describe in the complaint the actual or potential adverse impact to the appellant. Assisted by NERC Staff and industry resources as needed, the Director of Standards 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 shall be made a part of the public record associated with the Reliability Standard.

### **8.2: 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 Director of Standards, the Director of Standards shall convene a Level 2 Appeals Panel. This panel shall consist of five members 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 NERC Reliability Standards Staff 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 entity that is directly and materially affected by the 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, definition, Variance or Interpretation or implementation plan as these responsibilities remain with the ballot pool and Board of Trustees respectively. The actions of the Level 2 Appeals Panel shall be publicly posted.

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, definition, Variance or Interpretation. The objection shall 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

## Process for Appealing an Action or Inaction

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facts that justify that relief. The objection shall be filed no later than 30 days after the announcement of the vote by the ballot pool on the Reliability Standard in question.

## Section 9.0: Process for Developing a Variance

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A Variance is an approved, alternative method of achieving the reliability intent of one or more Requirements in a Reliability Standard. No Regional Entity or Bulk Power System owner, operator, or user shall claim a Variance from a NERC Reliability Standard without approval of such a Variance through the relevant Reliability Standard approval procedure for the Variance. Each Variance from a NERC Reliability Standard that is approved by NERC and Applicable Governmental Authorities shall be made an enforceable part of the associated NERC Reliability Standard.

NERC's drafting teams shall aim to develop Reliability Standards with Requirements that apply on a continent-wide basis, minimizing the need for Variances while still achieving the Reliability Standard's reliability objectives. If one or more Requirements cannot be met or complied with as written because of a physical difference in the Bulk Power System or because of an operational difference (such as a conflict with a federally or provincially approved tariff), but the Requirement's reliability objective can be achieved in a different fashion, an entity or a group of entities may pursue a Variance from one or more Requirements in a continent-wide Reliability Standard. It is the responsibility of the entity that needs a Variance to identify that need and initiate the processing of that Variance through the submittal of a SAR<sup>28</sup> that includes a clear definition of the basis for the Variance.

There are two types of Variances – those that apply on an Interconnection-wide basis, and those that apply to one or more entities on less than an Interconnection-wide basis.

### 9.1: Interconnection-wide Variances

Any Variance from a NERC Reliability Standard Requirement that is proposed to apply to Registered Entities within a Regional Entity organized on an Interconnection-wide basis shall be considered an Interconnection-wide Variance and shall be developed through that Regional Entity's NERC-approved Regional Reliability Standards development procedure.

While an Interconnection-wide Variance may be developed through the associated Regional Reliability Standards development process, Regional Entities are encouraged to work collaboratively with existing continent-wide drafting teams to reduce potential conflicts between the two efforts.

An Interconnection-wide 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 associated NERC Reliability Standard. NERC shall rebuttably presume that an Interconnection-wide Variance from a NERC Reliability Standard that is developed, in accordance with a Regional Reliability Standards development 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.

### 9.2: Variances that Apply on Less than an Interconnection-wide Basis

Any Variance from a NERC Reliability Standard Requirement that is proposed to apply to one or more entities but less than an entire Interconnection (*e.g.*, 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 considered a Variance. A Variance may be requested while a Reliability Standard is under development or a Variance may be requested at any time after a Reliability Standard is approved. Each request for a

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<sup>28</sup> A sample of a SAR that identifies the need for a Variance and a sample Variance are posted as resources on the Reliability Standards Resources web page.

## Process for Developing a Variance

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Variance shall be initiated through a SAR, and processed and approved in the same manner as a continent-wide Reliability Standard, using the Reliability Standards development process defined in this manual.



## Section 10.0: Processes for Developing a Reliability Standard Related to a Confidential Issue

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While it is NERC's intent to use its ANSI-accredited Reliability Standards development process for developing its Reliability Standards, NERC has an obligation as the ERO to ensure that there are Reliability Standards in place to preserve the reliability of the interconnected Bulk Power Systems throughout North America. When faced with a national security emergency situation, NERC may use one of the following special processes to develop a Reliability Standard that addresses an issue that is confidential. Reliability Standards developed using one of the following processes shall be called, "special Reliability Standards" and shall not be filed with ANSI for approval as American National Standards.

The NERC Board of Trustees may direct the development of a new or revised Reliability Standard to address a national security situation that involves confidential issues. These situations may involve imminent or long-term threats. In general, these Board directives will be driven by information from the President of the United States of America or the Prime Minister of Canada or a national security agency or national intelligence agency of either or both governments indicating (to the ERO) that there is a national security threat to the reliability of the Bulk Power System.<sup>29</sup>

There are two special processes for developing Reliability Standards responsive to confidential issues – one process where the confidential issue is "imminent," and one process where the confidential issue is "not imminent."

### **10.1: Process for Developing Reliability Standards Responsive to Imminent, Confidential Issues**

If the NERC Board of Trustees directs the immediate development of a new or revised Reliability Standard to address a confidential national security emergency situation, the NERC Reliability Standards Staff shall develop a SAR, form a ballot pool (to vote on the Reliability Standard and its implementation plan) and assemble a slate of pre-defined subject matter experts as a proposed drafting team for approval by the Standards Committee's officers. All members of the Registered Ballot Body shall have the opportunity to join the ballot pool.

### **10.2: Drafting Team Selection**

The Reliability Standard drafting team selection process shall be limited to just those candidates who have already been identified as having the appropriate security clearance, the requisite technical expertise, and either have signed or are willing to sign a strict confidentiality agreement.

### **10.3: Work of Drafting Team**

The Reliability Standard drafting team shall perform all its work under strict security and confidential rules. The Reliability Standard drafting team shall develop the new or revised Reliability Standard and its implementation plan.

The Reliability Standard drafting team shall review its work, to the extent practical, as it is being developed with officials from the appropriate governmental agencies in the U.S. and Canada, under strict security and confidentiality rules.

### **10.4: Formal Stakeholder Comment & Ballot Window**

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<sup>29</sup> The NERC Board may direct the immediate development and issuance of a Level 3 (Essential Action) alert and then may also direct the immediate development of a new or revised Reliability Standard.

The draft Reliability Standard and its implementation plan shall be distributed for a formal comment period, under strict confidentiality rules, only to those entities that are listed in the NERC Compliance Registry to perform one of the functions identified in the applicability section of the Reliability Standard and have identified individuals from their organizations that have signed confidentiality agreements with NERC.<sup>30</sup> At the same time, the Reliability Standard shall be distributed to the members of the ballot pool for review and ballot. The NERC Reliability Standards Staff shall not post or provide the ballot pool with any confidential background information.

The drafting team, working with the NERC Reliability Standards Staff, shall consider and respond to all comments, make any necessary conforming changes to the Reliability Standard and its implementation plan, and shall distribute the comments, responses and any revision to the same population as received the initial set of documents for formal comment and ballot.

### **10.5: Board of Trustee Actions**

Each Reliability Standard and implementation plan developed through this process shall be submitted to the NERC Board of Trustees for adoption.

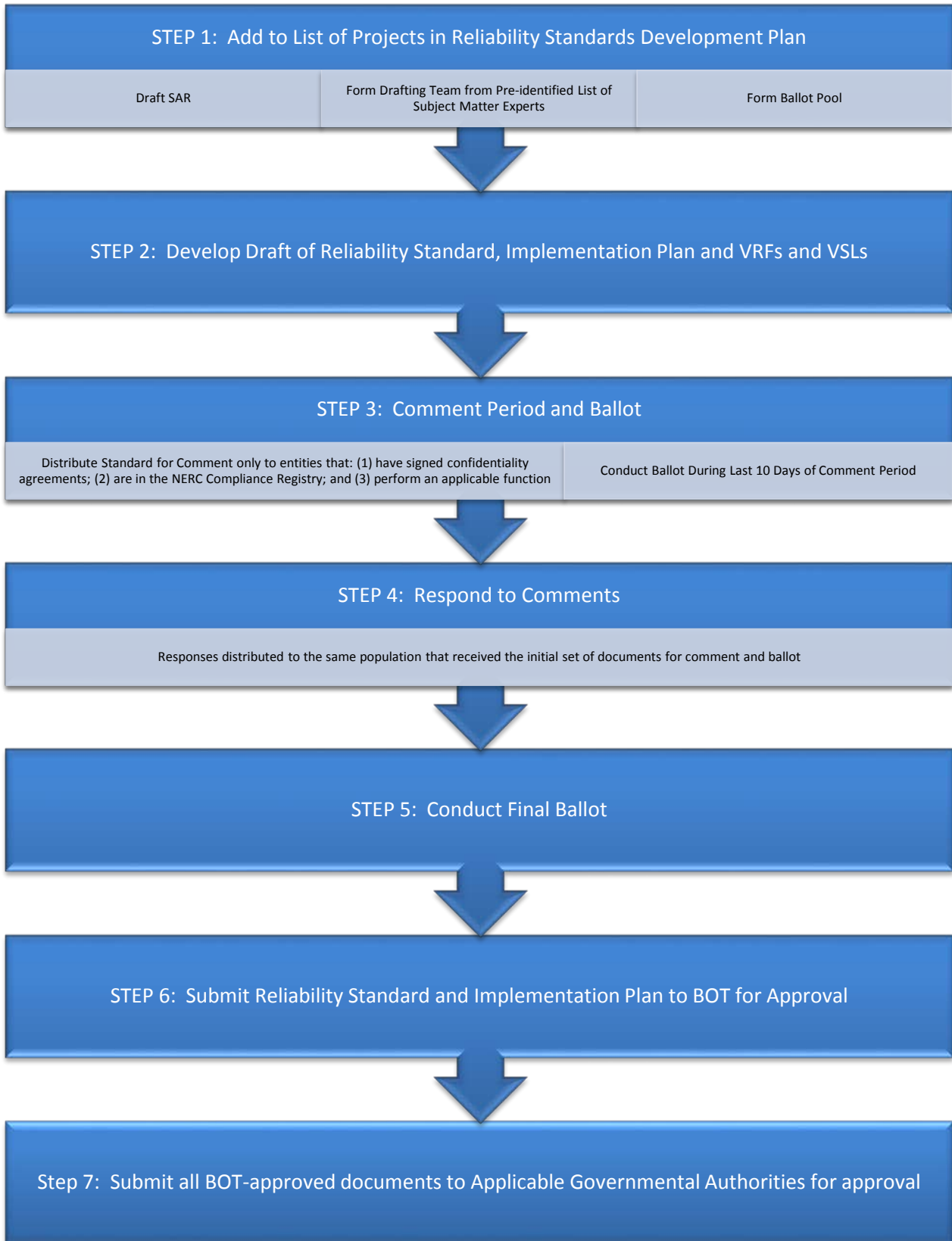
### **10.6: Governmental Approvals**

All approved documents shall be filed for approval with Applicable Governmental Authorities.

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<sup>30</sup> In this phase of the process, only the proposed Reliability Standard shall be distributed to those entities expected to comply, not the rationale and justification for the Reliability Standard. Only the special drafting team members, who have the appropriate security credentials, shall have access to this rationale and justification.

**10.7: Developing a Reliability Standard Responsive to an Imminent, Confidential Issue**



**FIGURE 3: Process for Developing a Standard Responsive to an Imminent, Confidential Issue**

### **10.8: Process for Developing Reliability Standards Responsive to Non-imminent, Confidential Issues**

If the NERC Board of Trustees directs the immediate development of a new or revised Reliability Standard to address a confidential national security emergency situation, the NERC Reliability Standards Staff shall develop a SAR, form a ballot pool (to vote on the Reliability Standard and its implementation plan) and assemble a slate of pre-defined subject matter experts as a proposed drafting team for approval by the Standards Committee's officers. All members of the Registered Ballot Body shall have the opportunity to join the ballot pool.

### **10.9: Drafting Team Selection**

The drafting team selection process shall be limited to just those candidates who have already been identified as having the appropriate security clearance, the requisite technical expertise, and either have signed or are willing to sign a strict confidentiality agreement.

### **10.10: Work of Drafting Team**

The drafting team shall perform all its work under strict security and confidential rules. The Reliability Standard drafting team shall develop the new or revised Reliability Standard and its implementation plan.

The drafting team shall review its work, to the extent practical, as it is being developed with officials from the Applicable Governmental Authorities, under strict security and confidentiality rules.

### **10.11: Formal Stakeholder Comment & Ballot Window**

The draft Reliability Standard and its implementation plan shall be distributed for a formal comment period, under strict confidentiality rules, only to those entities that are listed in the NERC Compliance Registry to perform one of the functions identified in the applicability section of the Reliability Standard and have identified individuals from their organizations that have signed confidentiality agreements with NERC.<sup>31</sup> At the same time, the Reliability Standard shall be distributed to the members of the ballot pool for review and ballot. The NERC Reliability Standards Staff shall not post or provide the ballot pool with any confidential background information.

### **10.12: Revisions to Reliability Standard, Implementation Plan and VRFs and VSLs**

The drafting team, working with the NERC Reliability Standards Staff, shall work to refine the Reliability Standard, implementation plan and VRFs and VSLs in the same manner as for a new Reliability Standard following the "normal" Reliability Standards development process described earlier in this manual with the exception that distribution of the comments, responses, and new drafts shall be limited to those entities that are in the ballot pool and those entities that are listed in the NERC Compliance Registry to perform one of the functions identified in the applicability section of the Reliability Standard and have identified individuals from their organizations that have signed confidentiality agreements with NERC.

### **10.13: Board of Trustee Action**

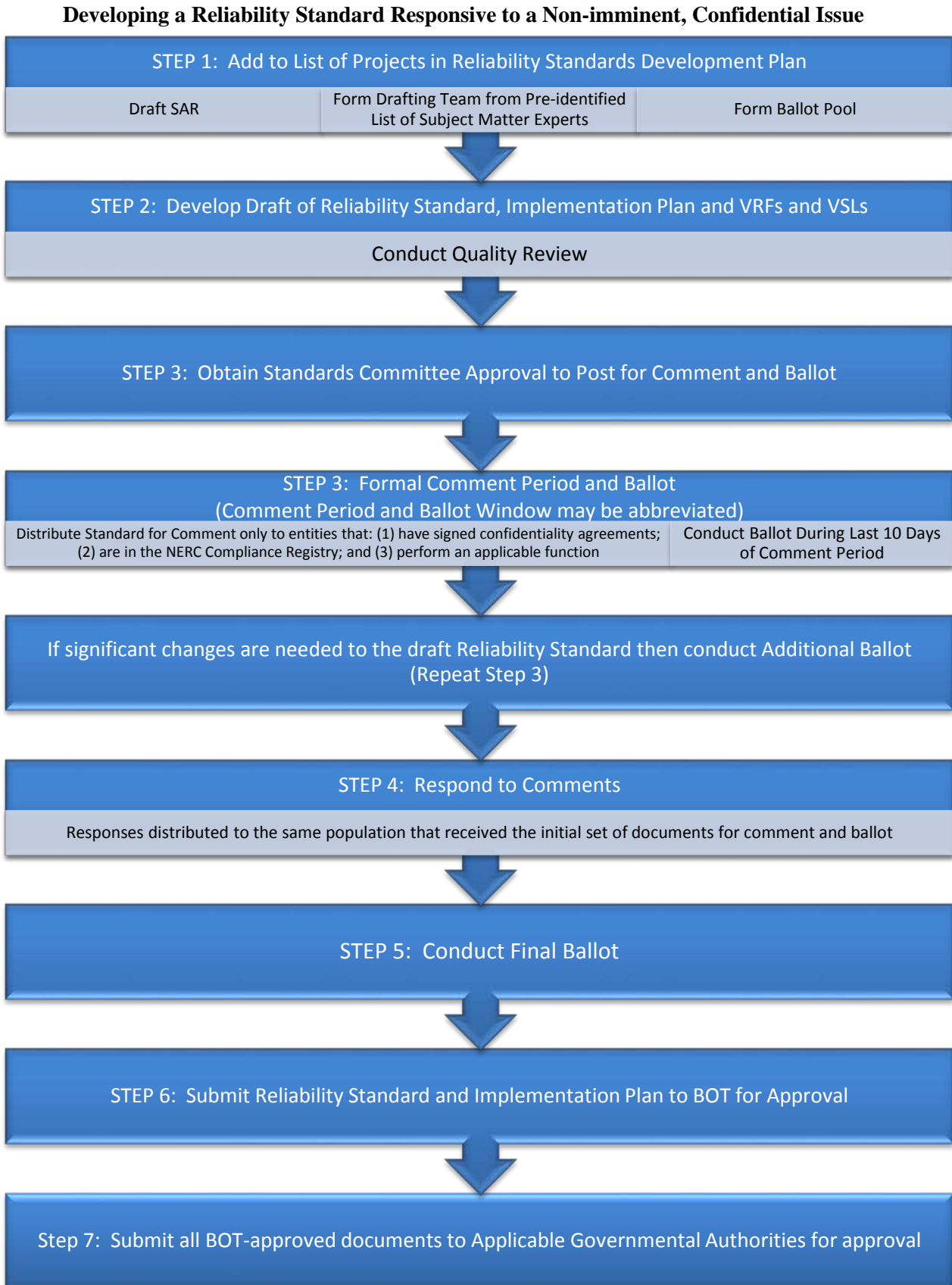
Each Reliability Standard, implementation plan, and the associated VRFs and VSLs developed through this process shall be submitted to the NERC Board of Trustees for adoption.

### **10.14: Governmental Approvals**

All BOT-approved documents shall be filed for approval with Applicable Governmental Authorities.

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<sup>31</sup> In this phase of the process, only the proposed Reliability Standard shall be distributed to those entities expected to comply, not the rationale and justification for the Reliability Standard. Only the special drafting team members, who have the appropriate security credentials, shall have access to this rationale and justification.



**FIGURE 4: Developing a Standard Responsive to a Non-Imminent, Confidential Issue**

## Section 11.0: Process for Approving Supporting Documents

The following types of documents are samples of the types of supporting documents that may be developed to enhance stakeholder understanding and implementation of a Reliability Standard. These documents may explain or facilitate implementation of Reliability Standards but do not themselves contain mandatory Requirements subject to compliance review. Any Requirements that are mandatory shall be incorporated into the Reliability Standard in the Reliability Standard development process.

While most supporting documents are developed by the standard drafting team working to develop the associated Reliability Standard, any entity may develop a supporting document associated with a Reliability Standard.

The Standards Committee shall authorize the posting of all supporting references<sup>32</sup> that are linked to an approved Reliability Standard. Prior to granting approval to post a supporting reference with a link to the associated Reliability Standard, the Standards Committee shall verify that the document has had stakeholder review to verify the accuracy of the technical content. While the Standards Committee has the authority to approve the posting of each such reference, stakeholders, not the Standards Committee, verify the accuracy of the document's contents.

Type of Document	Description
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.
Guideline	Recommended process that identifies a method of meeting a Requirement under specific conditions.
Supplement	Data forms, pro forma documents, and associated instructions that support the implementation of a Reliability Standard.
Training Material	Documents that support the implementation of a Reliability Standard.
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 Reliability Standard or one of the documents above.

<sup>32</sup> The Standards Committee's Procedure for Approving the Posting of Reference Documents is posted on the Reliability Standards Resources web page.



## Section 12.0: Process for Correcting Errata

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From time to time, an error may be discovered in a Reliability Standard. Such errors may be corrected (i) following a Final Ballot prior to Board of Trustees adoption, (ii) following Board of Trustees adoption prior to filing with Applicable Governmental Authorities; and (iii) following filing with Applicable Governmental Authorities. If the Standards Committee agrees that the correction of the error does not change the scope or intent of the associated Reliability Standard, and agrees that the correction has no material impact on the end users of the Reliability Standard, then the correction shall be filed for approval with Applicable Governmental Authorities as appropriate. The NERC Board of Trustees has resolved to concurrently approve any errata approved by the Standards Committee.

## Section 13.0: Process for Conducting Periodic Reviews of Reliability Standards

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All Reliability Standards shall be reviewed at least once every ten years from the effective date of the Reliability Standard or the date of the latest Board of Trustees adoption to a revision of the Reliability Standard, whichever is later. If a Reliability Standard is approved by ANSI as an American National Standard, it shall be reviewed at least once every five years from the effective date of the Reliability Standard or the date of the latest Board of Trustees adoption to a revision of the Reliability Standard, whichever is later.

The *Reliability Standards Development Plan* shall include projects that address this five or ten-year review of Reliability Standards.

- If a Reliability Standard is nearing its five or ten-year review and has issues that need resolution, then the *Reliability Standards Development Plan* shall include a project for the complete review and associated revision of that Reliability Standard that includes addressing all outstanding governmental directives, all approved Interpretations, and all unresolved issues identified by stakeholders.
- If a Reliability Standard is nearing its five or ten-year review and there are no outstanding governmental directives, Interpretations, or unresolved stakeholder issues associated with that Reliability Standard, then the *Reliability Standards Development Plan* shall include a project solely for the “five-year review” of that Reliability Standard.

For a project that is focused solely on the five-year review, the Standards Committee shall appoint a review team of subject matter experts to review the Reliability Standard and recommend whether the American National Standard Institute-approved Reliability Standard should be reaffirmed, revised, or withdrawn. Each review team shall post its recommendations for a 45 calendar day formal stakeholder comment period and shall provide those stakeholder comments to the Standards Committee for consideration.

- If a review team recommends reaffirming a Reliability Standard, the Standards Committee shall submit the reaffirmation to the Board of Trustees for adoption and then to Applicable Governmental Authorities for approval. Reaffirmation does not require approval by stakeholder ballot.
- If a review team recommends modifying, or retiring a Reliability Standard, the team shall develop a SAR with such a proposal and the SAR shall be submitted to the Standards Committee for prioritization as a new project. Each existing Reliability Standard recommended for modification, or retirement shall remain in effect in accordance with the associated implementation plan until the action to modify or withdraw the Reliability Standard is approved by its ballot pool, adopted by the Board of Trustees, and approved by Applicable Governmental Authorities.

In the case of reaffirmation of a Reliability Standard, the Reliability Standard shall remain in effect until the next five or ten-year review or until the Reliability Standard is otherwise modified or withdrawn by a separate action.

## Section 14.0: Public Access to Reliability Standards Information

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### **14.1: Online Reliability Standards Information System**

The NERC Reliability Standards Staff shall maintain an electronic copy of information regarding currently proposed and currently in effect Reliability Standards. This information shall include current Reliability Standards in effect, proposed revisions to Reliability Standards, and proposed new Reliability 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.

### **14.2: Archived Reliability Standards Information**

The NERC Staff shall maintain a historical record of Reliability Standards information that is no longer maintained online. 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 Reliability Standard was no longer in effect. Archived records of Reliability Standards information shall be available electronically within 30 days following the receipt by the NERC Reliability Standards Staff of a written request.

## Section 15.0: Process for Updating Standard Processes

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### 15.1: Requests to Revise the Standard Processes Manual

Any person or entity may submit a request to modify one or more of the processes contained within this manual. The Standards Committee shall oversee the handling of each request. The Standards Committee shall prioritize all requests, merge related requests, and respond to each sponsor within 30 calendar days.

The Standards Committee shall post the proposed revisions for a 45 (calendar) day formal comment period. Based on the degree of consensus for the revisions, the Standards Committee shall:

- a. Submit the revised process or processes for ballot pool approval;
- b. Repeat the posting for additional inputs after making changes based on comments received;
- c. Remand the proposal to the sponsor 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 Reliability Standard, including the use of an Additional 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 submit to the Board a description of the basis for the changes, a summary of the comments received, and any minority views expressed in the comment and ballot process. The proposed revisions shall not be effective until approved by the NERC Board of Trustees and Applicable Governmental Authorities.

## Section 16.0: Waiver

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While it is NERC's intent to use its ANSI-accredited Reliability Standards development process for developing its Reliability Standards, NERC may need to develop a new or modified Reliability Standard, definition, Variance, or implementation plan under specific time constraints (such as to meet a time constrained regulatory directive) or to meet an urgent reliability issue such that there isn't sufficient time to follow all the steps in the normal Reliability Standards development process.

The Standards Committee may waive any of the provisions contained in this manual for good cause shown, but limited to the following circumstances:

- In response to a national emergency declared by the United States or Canadian government that involves the reliability of the Bulk Electric System or cyber attack on the Bulk Electric System;
- Where necessary to meet regulatory deadlines;
- Where necessary to meet deadlines imposed by the NERC Board of Trustees; or
- Where the Standards Committee determines that a modification to a proposed Reliability Standard or its Requirement(s), a modification to a defined term, a modification to an interpretation, or a modification to a variance has already been vetted by the industry through the standards development process or is so insubstantial that developing the modification through the processes contained in this manual will add significant time delay.

In no circumstances shall this provision be used to modify the requirements for achieving quorum or the voting requirements for approval of a standard.

A waiver request may be submitted to the Standards Committee by any entity or individual, including NERC committees or subgroups and NERC Staff. Prior to consideration of any waiver request, the Standards Committee must provide five business days notice to stakeholders.

Action on the waiver request will be included in the minutes of the Standards Committee. Following the approval of the Standards Committee to waive any provision of the Standard Process Manual, the Standards Committee will report this decision to the Standards Oversight and Technology Committee.<sup>33</sup> Actions taken pursuant to an approved waiver request will be posted on the Standard Project page and included in the next project announcement.

In addition, the Standards Committee shall report the exercise of this waiver provision to the Board of Trustees prior to adoption of the related Reliability Standard, Interpretation, definition or Variance.

Reliability Standards developed as a result of a waiver of any provision of the Standard Processes Manual shall not be filed with ANSI for approval as American National Standards.

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<sup>33</sup> Any entity may appeal a waiver decision or any other procedural decision by the Standards Committee pursuant to Section 8.0 of the NERC Standard Processes Manual.

## Unofficial Comment Form

### Revisions to the NERC Standard Processes Manual (SPM) Section 6 Processes for Conducting Field Tests and Collecting and Analyzing Data

**Do not** respond using this form, as it is provided for explanation only. Use the [electronic form](#) to provide comments on the Revisions to the NERC Standard Processes Manual Section 6 – Processes for Conducting Field Tests and Collecting and Analyzing Data. The electronic comment form must be completed and submitted **by 8:00 p.m. Eastern, Wednesday, October 28, 2015**.

If you have questions, contact the Manager of Standards Information, [Barb Nutter](#) (via email) or at 404-446-9692.

#### Background Information

At the March 2015 Standards Committee (SC) meeting, NERC staff and the SC supported developing more concise language for the SPM section 6, Process for Conducting Field Tests and Collecting and Analyzing Data. The purpose of updating the Field Test language was to increase coordination between the SC and the technical committees when field tests are conducted. NERC staff along with the Planning Committee, Operating Committee, and Critical Infrastructure Protection Committee worked together to develop a more concise process for Field Tests.

#### Questions

1. Do you agree with the revisions to Section 6 of the Standard Processes Manual?

Yes

No

Comments:

2. Do you agree the technical committees (e.g., Operating Committee, Planning Committee, and Critical Infrastructure Protection Committee) should administer the Field Tests?

Yes

No

Comments:

3. Do you have any other comments concerning Section 6 of the Standard Processes Manual?

Comments:

# Summary of Proposed Revisions to the Standard Processes Manual

Appendix 3A to the NERC Rules of Procedure

Section 6.0, Processes for Conducting Field Tests | September 2015

Revisions are proposed to Section 6, *Processes for Conducting Field Tests and Collecting and Analyzing Data*, of the [NERC Standard Processes Manual \(SPM\)](#), Appendix 3A to the NERC Rules of Procedure. Under Section 6.0 of the SPM, field tests may be used to analyze data and validate concepts in the development of Reliability Standards. Changes are proposed to develop a more concise process for conducting field tests, to clarify oversight and authority over the technical aspects of field tests, and to increase coordination across the Standards Committee (SC) and the NERC technical committee overseeing the field test when field tests are conducted.

A redline of the proposed changes is available on the [Revisions to the NERC SPM](#) page.

The proposed revisions are posted for a 30-day informal comment period from September 29, 2015 through October 28, 2015. All comments should be submitted through the NERC [Standards Balloting and Commenting System](#) (SBS).

## Background

In March 2015, the SC endorsed developing draft revisions to the SC Charter and Section 6 of the SPM to develop more concise language and provide NERC's technical committees with additional oversight and authority over the technical aspect of field tests associated with Standards Authorization Requests and standards projects.

NERC staff, along with members of the NERC Operating Committee, Planning Committee, and Critical Infrastructure Protection Committee, worked together to develop the proposed revisions.

## Summary of Proposed Revisions

The proposed revisions are summarized as follows:

Section 6.1 is revised to streamline the requirements for field tests to validate concepts that support the development of requirements (current Section 6.1) and field tests of technical concepts in a proposed new or revised Reliability Standard (current Section 6.2). Two new subsections are created:

Proposed Section 6.1.1 summarizes, in bullet form, the requirements for seeking approval of a field test. Under the proposed revisions, the requesting team must first identify a NERC technical committee to lead the effort to conduct the field test and seek approval from that technical committee to conduct the field test before seeking SC approval.

Proposed Section 6.1.2 provides that the lead NERC technical committee overseeing the field test may stop or modify the field test if it determines that the field test activity poses a reliability risk to the Bulk Electric System (BES). Prior to restarting a stopped field test, the requesting team must receive approval from the lead NERC technical committee and the SC in accordance with proposed Section 6.1.1.

Proposed Section 6.2 clarifies the processes governing communication and coordination for all types of field tests. The proposed revisions clarify the process for seeking, approving, and making notifications with respect to compliance waivers for participating entities unable to comply with currently-enforceable Reliability Standards due to their participation in the field test. Proposed Section 6.2 also contains requirements for keeping the NERC Board of Trustees informed of pending and ongoing field tests, including any requested compliance waivers.

## **Next Steps**

NERC staff will consider all comments received during the comment period and determine next steps.



## Standards Announcement

### Revisions to the NERC Standard Processes Manual Section 6

Informal Comment Period Open through October 28, 2015

#### Now Available

A 30-day informal comment period for the proposed revisions to the **NERC Standard Processes Manual (SPM), Section 6 Processes for Conducting Field Tests and Collecting and Analyzing Data**, is open through **8 p.m. Eastern, Wednesday, October 28, 2015**.

#### **Commenting**

Use the [electronic form](#) to submit comments on the revisions to Section 6 of the SPM. If you experience any difficulties in using the electronic form, contact [Nasheema Santos](#). An unofficial Word copy of the comment form is posted on the [SPM page located on the Reliability Standards Under Development page](#).

*If you are having difficulty accessing the SBS due to a forgotten password, incorrect credential error messages, or system lock-out, contact NERC IT support directly at [EROhelpdesk@nerc.net](mailto:EROhelpdesk@nerc.net) (Monday – Friday, 8 a.m. - 8 p.m. Eastern).*

#### **Next Steps**

NERC staff will consider all comments received during the comment period and determine the next steps.

For information on the Standards Development Process, refer to the [Standard Processes Manual](#).

For more information or assistance, please contact the Manager of Standards Information, [Barb Nutter](#) (via email) or at 404-446-9692.

North American Electric Reliability Corporation  
3353 Peachtree Rd, NE  
Suite 600, North Tower  
Atlanta, GA 30326  
404-446-2560 | [www.nerc.com](http://www.nerc.com)

# Survey Report

## Survey Details

**Name** Revisions to the NERC Standard Processes Manual | Section 6

**Description**

**Start Date** 9/29/2015

**End Date** 10/28/2015

**Associated Ballots**

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## Survey Questions

**1. Do you agree with the revisions to Section 6 of the Standard Processes Manual?**

**Yes**

**No**

**2. Do you agree the technical committees (e.g., Operating Committee, Planning Committee, and Critical Infrastructure Protection Committee) should administer the Field Tests?**

**Yes**

**No**

**3. Do you have any other comments concerning Section 6 of the Standard Processes Manual?**

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## Responses By Question

**1. Do you agree with the revisions to Section 6 of the Standard Processes Manual?**

**John Fontenot - Bryan Texas Utilities - 1 -**

**Selected Answer:** Yes

**Answer Comment:**

**Document Name:**

**Likes:** 0

**Dislikes:** 0

**Randall Hubbard - Southern Company - Southern Company Services, Inc. - 1,3,5,6 - FRCC,WECC,TRE,SERC**

**Group Information**

Group Name: Southern Company

<b>Group Member Name</b>	<b>Entity</b>	<b>Region</b>	<b>Segments</b>
Robert Schaffeld	Southern Company Services, Inc..	SERC	1
John Ciza	Southern Company Generation and Energy Marketing	SERC	6
R. Scott Moore	Alabama Power Company	SERC	3
William Shultz	Southern Company Generation	SERC	5

**Voter Information**

**Voter**

Randall Hubbard

**Segment**

1,3,5,6

**Entity**

Southern Company - Southern Company Services, Inc.

**Region(s)**

FRCC,WECC,TRE,SERC

**Selected Answer:** Yes

**Answer Comment:**

**Document Name:**

**Likes:** 0

**Dislikes:** 0

**Thomas Foltz - AEP - 5 -**

**Selected Answer:** Yes

**Answer Comment:**

**Document Name:**

**Likes:** 0

**Dislikes:** 0

**Oliver Burke - Entergy - Entergy Services, Inc. - 1 -**

**Selected Answer:** Yes

**Answer Comment:**

**Document Name:**

**Likes:** 0

**Dislikes:** 0

**Colby Bellville - Duke Energy - 1,3,5,6 - FRCC,SERC,RFC**

**Group Information**

Group Name: Duke Energy

<b>Group Member Name</b>	<b>Entity</b>	<b>Region</b>	<b>Segments</b>
Doug Hils	Duke Energy	RFC	1
Lee Schuster	Duke Energy	FRCC	3
Dale Goodwine	Duke Energy	SERC	5
Greg Cecil	Duke Energy	RFC	6

**Voter Information**

<b>Voter</b>	<b>Segment</b>
Colby Bellville	1,3,5,6
<b>Entity</b>	<b>Region(s)</b>
Duke Energy	FRCC,SERC,RFC

**Selected Answer:** Yes

**Answer Comment:**

**Document Name:**

**Likes:** 0

**Dislikes:** 0

**Andrew Puztai - American Transmission Company, LLC - 1 -**

**Selected Answer:** Yes

**Answer Comment:**

Yes. ATC agrees with the revisions to Section 6 of the Standard Processes Manual. However, ATC believes there may be an omission that should be addressed. (See response to Question #3)

**Document Name:**

**Likes:** 0

**Dislikes:** 0

**Nate Chumley - Edison Electric Institute - NA - Not Applicable - NA - Not Applicable**

**Selected Answer:** Yes

**Answer Comment:**

The Edison Electric Institute (“EEI”) respectfully submits these comments in response to the Standards Announcement regarding “Revisions to the NERC Standard Processes Manual – Section 6” issued on September 29, 2015 by the North American Electric Reliability Corporation (NERC). Specifically, EEI supports NERC’s proposal for revisions to Section 6, *Processes for Conducting Field Tests and Collecting and Analyzing Data*, of the NERC Standards Process Manual (“SPM”), Appendix 3A to the NERC Rules of Procedure. EEI believes that the proposed changes will provide for a more concise process for conducting field tests, clarify oversight and authority over the technical aspects of field tests, and to increase coordination across the Standards Committee (“SC”) and the NERC technical committee overseeing the field test when field tests are conducted.

EEI appreciates the effort by NERC and industry to draft revisions to the SC Charter and Section 6 of the SPM to develop more concise language and provide NERC’s technical committees with additional oversight and authority over the technical aspect of field tests associated with Standards Authorization Requests and standards projects. EEI believes that a streamlined Section 6 of the SPM will better coordinate the SC with the technical committees. Therefore, EEI agrees with the revisions to Section 6 of the SPM and agrees that the technical committees (e.g., Operating Committee (“OC”), Planning Committee (“PC”), and Critical Infrastructure Protection Committee (“CIPC”)) should administer the field tests.

Finally, in support of the proposed revisions, EEI wishes to commend the collaborative process undertaken by NERC staff, SC, OC, PC, and CIPC.

**Document Name:**

**Likes:** 0

**Dislikes:** 0



**Rachel Coyne - Texas Reliability Entity, Inc. - 10 -**

**Selected Answer:** No

**Answer Comment:**

Texas RE recommends including the possibility of compliance waivers in Section 6.1.1 so there is a clear expectation at that point rather than after the approval but prior to initiation. The specific individual waivers could occur after approval and before initiation.

Texas RE recommends clarifying who comprises the “Compliance Monitoring and Enforcement Program staff” in Section 6.2, “Communication and Coordination for All Types of Field Tests”. Is it NERC, the Regional Entity staff where the Field Test is occurring, the ERO Enterprise collectively, or someone different? Texas RE also seeks similar clarification on “Standards staff” in 6.2. (In other places there are references to the “NERC Reliability Standards Staff”.)

Texas RE requests the Field Tests and a report be public if completed. This was struck from section 6 and should be re-instated. Field Test data could be important in understanding the challenges and successes of a proposed SAR.

In Section 4.0 “Process for Developing, Modifying, Withdrawing or Retiring a Reliability Standard”, the flow diagram on page 15 does not reflect the changes proposed in Section 6 (e.g., Field Test before a SAR is finalized). Texas RE noticed there is no mention of Field Testing in Section 4 other than in the introductory paragraph. Should there be?

The introduction section prior to section 6.1 seems to infer that field tests will be initiated by a standard drafting team. Section 6.1, number 2 makes reference to the “requesting team”. Texas RE suggests explaining who can request a field test and/or defining “requesting team”.

Section 6.1.1 says there will be “an expectation for periodic updates of the analysis of the results”. Texas RE suggests specifying who is making the periodic updates (presumably the team who is conducting the field test) and to whom the updates are for (Standards Committee?) This is later explained in section 6.2, but is not clear in section 6.1.1.

**Document Name:**

**Likes:** 0

**Dislikes:** 0

**Shannon Mickens - Southwest Power Pool, Inc. (RTO) - 2 - SPP**

**Group Information**

Group Name: SPP Standards Review Group

<b>Group Member Name</b>	<b>Entity</b>	<b>Region</b>	<b>Segments</b>
Shannon Mickens	Southwest Power Pool Inc.	SPP	2
Jason Smith	Southwest Power Pool Inc	SPP	2
Don Hargrove	Oklaholma Gas & Electric	SPP	1,3,5,6
Ellen Watkins	Sunflower Electric Power Corporation	SPP	1

**Voter Information**

<b>Voter</b>	<b>Segment</b>
Shannon Mickens	2
<b>Entity</b>	<b>Region(s)</b>
Southwest Power Pool, Inc. (RTO)	SPP

**Selected Answer:** Yes

**Answer Comment:** We agree with the revisions as proposed however we have additional suggestions for this project.

**Document Name:**

**Likes:** 0

**Dislikes:** 0

**Elizabeth Axson - Electric Reliability Council of Texas, Inc. - 2 -**

**Selected Answer:** No

**Answer Comment:**

Comments: The proposed revisions to Section 6 of the SPM are ambiguous as they do not:

&bull; Clearly delineate the responsibilities of the Technical Committee and its interaction with the requesting team. For example, the revisions are unclear:

- o As to who has the responsibility to develop the Field Test Plan, Implementation Plan, and expectation for periodic updates or whether this is a collaborative effort with the selected Technical Committee;
- o About what needs to be included in each of the required documents;
- o As to how approvals of Field Test requests are to be granted and under what circumstances;
- o About what process is followed should only one approval be granted; and
- o As to the role of Technical Committee and the requesting team during administration of the field test.

The Standards Review Committee ("SRC") suggests that a high-level indication of responsibilities, etc. be addressed in Section 6, but that any additional process-level details or procedures can be addressed in a separate document.

**Document Name:** Unofficial\_Comment\_Form\_SPM\_Section\_6\_FieldTests\_092915.docx

**Likes:** 0

**Dislikes:** 0

**Chris Scanlon - Exelon - 1 -**

**Selected Answer:** Yes

**Answer Comment:**

**Document Name:**

**Likes:** 0

**Dislikes:** 0

**Cain Braveheart - Bonneville Power Administration - 1,3,5,6 - WECC**

**Selected Answer:** Yes

**Answer Comment:**

**Document Name:**

**Likes:** 0

**Dislikes:** 0

***2. Do you agree the technical committees (e.g., Operating Committee, Planning Committee, and Critical Infrastructure Protection Committee) should administer the Field Tests?***

**John Fontenot - Bryan Texas Utilities - 1 -**

**Selected Answer:** Yes

**Answer Comment:**

**Document Name:**

**Likes:** 0

**Dislikes:** 0

**Randall Hubbard - Southern Company - Southern Company Services, Inc. - 1,3,5,6 - FRCC,WECC,TRE,SERC**

**Group Information**

Group Name: Southern Company

<b>Group Member Name</b>	<b>Entity</b>	<b>Region</b>	<b>Segments</b>
Robert Schaffeld	Southern Company Services, Inc..	SERC	1
John Ciza	Southern Company Generation and Energy Marketing	SERC	6
R. Scott Moore	Alabama Power Company	SERC	3
William Shultz	Southern Company Generation	SERC	5

**Voter Information**

**Voter**

Randall Hubbard

**Segment**

1,3,5,6

**Entity**

Southern Company - Southern Company Services, Inc.

**Region(s)**

FRCC,WECC,TRE,SERC

**Selected Answer:** Yes

**Answer Comment:**

**Document Name:**

**Likes:** 0

**Dislikes:** 0

**Thomas Foltz - AEP - 5 -**

**Selected Answer:** Yes

**Answer Comment:**

**Document Name:**

**Likes:** 0

**Dislikes:** 0

**Oliver Burke - Entergy - Entergy Services, Inc. - 1 -**

**Selected Answer:** Yes

**Answer Comment:**

**Document Name:**

**Likes:** 0

**Dislikes:** 0

**Colby Bellville - Duke Energy - 1,3,5,6 - FRCC,SERC,RFC**

**Group Information**

Group Name: Duke Energy

<b>Group Member Name</b>	<b>Entity</b>	<b>Region</b>	<b>Segments</b>
Doug Hils	Duke Energy	RFC	1
Lee Schuster	Duke Energy	FRCC	3
Dale Goodwine	Duke Energy	SERC	5
Greg Cecil	Duke Energy	RFC	6

**Voter Information**

<b>Voter</b>	<b>Segment</b>
Colby Bellville	1,3,5,6
<b>Entity</b>	<b>Region(s)</b>
Duke Energy	FRCC,SERC,RFC

**Selected Answer:** Yes

**Answer Comment:**

**Document Name:**

**Likes:** 0

**Dislikes:** 0



**Andrew Puztai - American Transmission Company, LLC - 1 -**

**Selected Answer:** Yes

**Answer Comment:**

**Document Name:**

**Likes:** 0

**Dislikes:** 0

**Nate Chumley - Edison Electric Institute - NA - Not Applicable - NA - Not Applicable**

**Selected Answer:** Yes

**Answer Comment:**

As stated above, EEI agrees with the revisions to Section 6 of the SPM and agrees that the technical committees (e.g., Operating Committee (“OC”), Planning Committee (“PC”), and Critical Infrastructure Protection Committee (“CIPC”) should administer the field tests.

**Document Name:**

**Likes:** 0

**Dislikes:** 0

**Rachel Coyne - Texas Reliability Entity, Inc. - 10 -**

**Selected Answer:**

**Answer Comment:**

The language does not explicitly say field tests will be conducted by a NERC technical committee. For example:

- Section 6.1, number 2: "...identify one of NERC's technical committees to lead the effort in conducting the field test." This implies that a technical committee is leading the effort but there could be other individuals taking part in the effort.
- In the same section, "Prior to the requesting team conducting a field test", indicates the requesting team will be the one conducting the field test, not a NERC technical committee.
- Section 6.1.2: "...if the lead NERC technical committee overseeing the Field Test..." This implies the technical committee is overseeing, but not actually conducting the field test.
- Section 6.2 "During the Field Test, the request team conducting the Field Test...". This states the requesting team will be conducting the Field Test, not a NERC technical committee.

Texas RE recommends explicitly stating who conducts the field tests. If it is to be a NERC technical committee, may others take part? For example, a local committee may need to be involved in Field Tests for Regional Reliability Standards.

**Document Name:**

**Likes:** 0

**Dislikes:** 0

**Shannon Mickens - Southwest Power Pool, Inc. (RTO) - 2 - SPP**

**Group Information**

Group Name: SPP Standards Review Group

Group Member Name	Entity	Region	Segments
Shannon Mickens	Southwest Power Pool Inc.	SPP	2
Jason Smith	Southwest Power Pool Inc	SPP	2
Don Hargrove	Oklaholma Gas & Electric	SPP	1,3,5,6
Ellen Watkins	Sunflower Electric Power Corporation	SPP	1

#### Voter Information

<b>Voter</b>	<b>Segment</b>
Shannon Mickens	2
<b>Entity</b>	<b>Region(s)</b>
Southwest Power Pool, Inc. (RTO)	SPP

**Selected Answer:** Yes

#### Answer Comment:

There seems to be some missing language in that there is no clear responsibility assigned for the actual administration of the Field Test. The proposed language is clear in that the “requesting team” must work with NERC to select one of the NERC technical committees to “lead” the Field Test. However it seems on the top of page 30 that the “requesting team” is the one assumed to be administering the Field Test and collecting data and analyzing data. Our suggestion is that an additional sentence be added to bullet 2 on page 28 that clarifies that the technical committee should identify a team that is responsible for administering the Field Test and reporting back to the technical committee. This allows the technical committee to select additional or different team members to administer the test who may have necessary expertise that is not present on the “requesting team”. The “administering team” should include appropriate representation from the “requesting team”.

Also, we suggest that the formation of the “administering team” include a NERC staff representative and the roster formalized and documented by NERC just like a Standard Drafting Team and the roster maintained on the NERC website. In the past, it has been difficult to determine who is on the Field Test team in order to make contact for additional participation or to ask simple questions regarding the Field Test itself.

**Document Name:**

**Likes:** 0

**Dislikes:** 0

---

**Elizabeth Axson - Electric Reliability Council of Texas, Inc. - 2 -**

**Selected Answer:** Yes

**Answer Comment:**

However, the revisions should provide additional information regarding responsibilities and coordination between the technical committee and the requesting team.

**Document Name:**

**Likes:** 0

**Dislikes:** 0

---

**Chris Scanlon - Exelon - 1 -**

**Selected Answer:** Yes

**Answer Comment:**

**Document Name:**

**Likes:** 0

**Dislikes:** 0

**Cain Braveheart - Bonneville Power Administration - 1,3,5,6 - WECC**

**Selected Answer:** Yes

**Answer Comment:**

**Document Name:**

**Likes:** 0

**Dislikes:** 0

**3. Do you have any other comments concerning Section 6 of the Standard Processes Manual?**

**John Fontenot - Bryan Texas Utilities - 1 -**

**Selected Answer:**

**Answer Comment:** n/a

**Document Name:**

**Likes:** 0

**Dislikes:** 0

**Randall Hubbard - Southern Company - Southern Company Services, Inc. - 1,3,5,6 - FRCC,WECC,TRE,SERC**

**Group Information**

Group Name: Southern Company

<b>Group Member Name</b>	<b>Entity</b>	<b>Region</b>	<b>Segments</b>
Robert Schaffeld	Southern Company Services, Inc..	SERC	1
John Ciza	Southern Company Generation and Energy Marketing	SERC	6
R. Scott Moore	Alabama Power Company	SERC	3
William Shultz	Southern Company Generation	SERC	5

**Voter Information**

**Voter**

Randall Hubbard

**Segment**

1,3,5,6

**Entity**

Southern Company - Southern Company Services, Inc.

**Region(s)**

FRCC,WECC,TRE,SERC

**Selected Answer:**

**Answer Comment:**

**Document Name:**

**Likes:** 0

**Dislikes:** 0

**Thomas Foltz - AEP - 5 -**

**Selected Answer:**

**Answer Comment:**

**Document Name:**

**Likes:** 0

**Dislikes:** 0

**Oliver Burke - Entergy - Entergy Services, Inc. - 1 -**

**Selected Answer:**

**Answer Comment:**

Entergy supports these changes which will help preserve reliability of the bulk power system.

**Document Name:**

**Likes:** 0

**Dislikes:** 0

**Colby Bellville - Duke Energy - 1,3,5,6 - FRCC,SERC,RFC**

**Group Information**

Group Name: Duke Energy

<b>Group Member Name</b>	<b>Entity</b>	<b>Region</b>	<b>Segments</b>
Doug Hils	Duke Energy	RFC	1
Lee Schuster	Duke Energy	FRCC	3
Dale Goodwine	Duke Energy	SERC	5
Greg Cecil	Duke Energy	RFC	6

**Voter Information**

<b>Voter</b>	<b>Segment</b>
Colby Bellville	1,3,5,6
<b>Entity</b>	<b>Region(s)</b>
Duke Energy	FRCC,SERC,RFC

**Selected Answer:**

**Answer Comment:**

Section 6.2: Duke Energy suggests that references to “registered entities” should be changed to “Registered Entities” (the defined Rules of Procedure term).

Section 6.2: The requirement to publicly post reports (most importantly, the final report) has been deleted. As the Field Test would be conducted before the SAR, we would assume that the final report would be included with the SAR and posted on the relevant Project Page. However, neither this revised Section 6 nor Section 4 (Process for Developing, Modifying, Withdrawing or Retiring a Reliability Standard) specifically require the posting of documents related to the SAR. Duke Energy suggests to consider adding the following sentence at the end of Section 6.2:

“The final results of the Field Test shall be posted along with the SAR for comment in accordance with Section 4 of the Standard Processes Manual.”

**Document Name:**

**Likes:** 0

**Dislikes:** 0



**Andrew Puztai - American Transmission Company, LLC - 1 -**

**Selected Answer:**

**Answer Comment:**

ATC requests that NERC consider the following before finalizing the revisions to Section 6.0:

1. Section 6.0 of the SPM does not address what I would call the end of the Field Testing process. There is no closure or final report of Field Testing in the clean version of Section 6.0 of the SPM and wondering whether this was omitted on purpose or an oversight.
2. The redline version had a paragraph near the end of Section 6.0 that required a final report identifying the results of the field testing and how those results were used. This omission would have to be addressed in both the SPM as well as Appendix 3A of the ROPs.
3. Please explain why this was omitted or was it overlooked?

**Document Name:**

**Likes:** 0

**Dislikes:** 0

**Nate Chumley - Edison Electric Institute - NA - Not Applicable - NA - Not Applicable**

**Selected Answer:**

**Answer Comment:**

Again, in support of the proposed revisions, EEI wishes to commend the collaborative process undertaken by NERC staff, SC, OC, PC, and CIPC.

**Document Name:**

**Likes:** 0

**Dislikes:** 0

**Rachel Coyne - Texas Reliability Entity, Inc. - 10 -**

**Selected Answer:**

**Answer Comment:**

Texas RE inquires as to whether or not these Section 6 changes apply for Regional Reliability Standards.

Texas RE recommends including a general statement in the Standard Processes Manual pertaining to the official record of the Standard which should include the Field Test portion.

Texas RE noticed the following grammatical and formatting issues:

- Throughout the document “Reliability Standard” is not consistently referenced in terms of capitalization or non-capitalization (e.g., page 8 VSL description).
- On page 8 the footnote “7” is incorrectly shown.
- Footnote 4 has two periods (..).
- Section 4.4.4 appears to be a different font size (happens in 4.11 as well and other places it appears).
- The term “Field Test” is not consistently capitalized. It is in Section 4 on page 14 but is not capitalized.

The format of Section 6 seems unusual. There is section 6.1, with numbers 1 and 2, then 6.1.1 and 6.1.2.

**Document Name:**

**Likes:** 0

**Dislikes:** 0

**Shannon Mickens - Southwest Power Pool, Inc. (RTO) - 2 - SPP**

**Group Information**

Group Name: SPP Standards Review Group

<b>Group Member Name</b>	<b>Entity</b>	<b>Region</b>	<b>Segments</b>
Shannon Mickens	Southwest Power Pool Inc.	SPP	2
Jason Smith	Southwest Power Pool Inc	SPP	2
Don Hargrove	Oklaholma Gas & Electric	SPP	1,3,5,6
Ellen Watkins	Sunflower Electric Power Corporation	SPP	1

**Voter Information**

<b>Voter</b>	<b>Segment</b>
Shannon Mickens	2
<b>Entity</b>	<b>Region(s)</b>
Southwest Power Pool, Inc. (RTO)	SPP

**Selected Answer:**

**Answer Comment:**

We would ask that there be more clarity provided on the term 'requesting team'. Is this term referring to the drafting team associated with the project or is this the entity that the test is being conducted on? If you are referring to the 'drafting team', we would suggest replacing the term 'requesting team' with 'drafting team'.

On page 28 section 6.1 bullet 1, the language mentions a field test being conducted before a SAR is finalized. Bullet 2...states that a requesting team must work with NERC Staff to initiate the test. However, a team is not typically formed until after a SAR is finalized. Based on the proposed process, there would be no team formed yet to request a field test. Also, we would suggest reviewing the numbering outline of the bullets in section 6.

**Document Name:**

**Likes:** 0

**Dislikes:** 0

**Elizabeth Axson - Electric Reliability Council of Texas, Inc. - 2 -**

**Selected Answer:**

**Answer Comment:**

The SRC supports the concepts proposed, but requests that there be additional clarity added to Section 6 to ensure that roles and responsibilities are clearer and additional documentation be developed to ensure that the new process is implemented smoothly.

**Document Name:**

**Likes:** 0

**Dislikes:** 0

**Chris Scanlon - Exelon - 1 -**

**Selected Answer:**

**Answer Comment:**

Comments: Thank you for the opportunity to comment on the proposed revisions to Section 6.0 of the Standards Process Manual (NERC Rules of Procedure Appendix 3A).

Exelon supports the addition of section 6.1.2 to address the potential circumstance in which a field test creates a risk to the BES. In addition, Exelon supports the revisions to better align the NERC Committees (technical committees and the Standards Committee) on technical work associated with standards develop.

Below are suggested refinements to the ROP language and a couple scenarios to consider relative to the Field Test approach. Exelon is not proposing that these scenarios should be addressed by a Field Test, but that the Rules of Procedure should not impede the constructive efforts for standards development.

**Refinements to the Language**

- First paragraph, first sentence, "... some Reliability Standard development efforts may require field tests ..." - Since the development process does not "require" field tests regardless of the fact-finding relevant to a standard development project, it would be more appropriate to state: "... some Reliability Standard development efforts may require benefit from field tests

...”

- Section 6.1.2, first sentence, “... committee overseeing the Field Test determines there is a reliability risk to the BES ...” – To clarify that the oversight committee would suspend the Field Test if the test itself is determined to create a reliability risk, consider the following revision: “... committee overseeing the Field Test determines there is a that the Field Test is creating a reliability risk to the BES ...”
- Section 6.1.2, last paragraph – This section does not discuss Field Test Suspension, but rather the steps associated with conceptual Field Tests. This information should be located in a different section.

### **Scenarios for Consideration**

- Structural Assessments - If a drafting team would like input on a structural approach to a standard, would that be considered a conceptual Field Test and be subject to the SAR provisions? Typically, the first posting of draft standard revisions showcases both structural revisions and language revisions. However, the structure can play a role in the content of the language. Standards project may benefit from gathering feedback on a structural or organizational approach before finalizing the language for posting, but following conclusion of SAR development. If such a task was considered a Field Test, Section 6.0 should accommodate it without creating too cumbersome a process.
- Implementation Assessments - Are field tests expected to accommodate implementation assessments of proposed requirement language? While the Compliance Guidance Policy document is not yet approved by the Board, the concept of testing the implementation of proposed requirement language is already being contemplated by potential drafting teams. It may be beneficial to distinguish between implementation guidance development and Field Testing.

### **Note**

- We appreciate the posting of these proposed revisions in the Standards section of the NERC website. For future postings, please consider also posting the information on the Rules of Procedures section of the NERC website where such proposed revisions are typically posted.

**Document Name:**

**Likes:** 0

**Dislikes:** 0

**Cain Braveheart - Bonneville Power Administration - 1,3,5,6 - WECC**

**Selected Answer:**

**Answer Comment:**

BPA supports the revisions made to Section 6 of the NERC Standards Process Manual with no comments. Thank you.

**Document Name:**

**Likes:** 0

**Dislikes:** 0

# NERC

NORTH AMERICAN ELECTRIC  
RELIABILITY CORPORATION

## Standard Processes Manual

VERSION 4

Effective: TBD

to ensure  
the reliability of the  
bulk power system

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## Section 1.0: Introduction

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### 1.1: Authority

This manual 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 manual with Applicable Governmental Authorities for approval as an ERO document. When approved, the manual is appended to and provides implementation detail in support of the ERO Rules of Procedure Section 300 — Reliability Standards Development.

Capitalized terms not otherwise defined herein, shall have the meaning set forth in the Definitions Used in the Rules of Procedure, Appendix 2 to the Rules of Procedure.

### 1.2: Scope

The policies and procedures in this manual shall govern the activities of the North American Electric Reliability Corporation ("NERC") related to the development, approval, revision, reaffirmation, and withdrawal of Reliability Standards, Interpretations, Violation Risk Factors ("VRFs"), Violation Severity Levels ("VSLs"), definitions, Variances, and reference documents developed to support standards for the Reliable Operation and planning of the North American Bulk Power Systems.

This manual also addresses the role of the Standards Committee, drafting team and ballot body in the development and approval of Compliance Elements in conjunction with standard development.

### 1.3: Background

NERC is a nonprofit corporation formed for the purpose of becoming the North American ERO. NERC works with all stakeholder segments of the electric industry, including electricity users, to develop Reliability Standards for the reliability planning and Reliable Operation of the North American Bulk Power Systems. 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 Reliability 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 ERO effective July 2006. *North American Electric Reliability Corp.*, 116 FERC ¶ 61,062, *order on reh'g and compliance*, 117 FERC ¶ 61,126 (2006), *order on compliance*, 118 FERC ¶ 61,030 (2007).

### 1.4: Essential Attributes of NERC's Reliability Standards Processes

NERC's Reliability Standards development processes provide reasonable notice and opportunity for public comment, due process, openness, and balance of interests in developing a proposed Reliability Standard consistent with the attributes necessary for American National Standards Institute ("ANSI") accreditation. The same attributes, as well as transparency, consensus-building, and timeliness, are also required under the ERO Rules of Procedure Section 304.

- ***Open Participation***

Participation in NERC's Reliability Standards development balloting and approval processes shall be open to all entities materially affected by NERC's Reliability Standards. There shall be no financial barriers to participation in NERC's Reliability Standards balloting and approval processes. Membership in the Registered Ballot Body shall not be conditional upon membership in any organization, nor unreasonably restricted on the basis of technical qualifications or other such requirements.

- ***Balance***

NERC's Reliability Standards development processes shall not be dominated by any two interest categories, individuals, or organizations and no single interest category, individual, or organization is able to defeat a matter.

NERC shall use a voting formula that allocates each industry Segment an equal weight in determining the final outcome of any Reliability Standard action. The Reliability Standards development processes shall have a balance of interests. Participants from diverse interest categories shall be encouraged to join the Registered Ballot Body and participate in the balloting process, with a goal of achieving balance between the interest categories. The Registered Ballot Body serves as the consensus body voting to approve each new or proposed Reliability Standard, definition, Variance, and Interpretation.

- ***Coordination and harmonization with other American National Standards activities***

NERC is committed to resolving any potential conflicts between its Reliability Standards development efforts and existing American National Standards and candidate American National Standards.

- ***Notification of standards development***

NERC shall publicly distribute a notice to each member of the Registered Ballot Body, and to each stakeholder who indicates a desire to receive such notices, for each action to create, revise, reaffirm, or withdraw a Reliability Standard, definition, or Variance; and for each proposed Interpretation. Notices shall be distributed electronically, with links to the relevant information, and notices shall be posted on NERC's Reliability Standards web page. All notices shall identify a readily available source for further information.

- ***Transparency***

The process shall be transparent to the public.

- ***Consideration of views and objections***

Drafting teams shall give prompt consideration to the written views and objections of all participants as set forth herein. Drafting teams shall make an effort to resolve each objection that is related to the topic under review.

- ***Consensus Building***

The process shall build and document consensus for each Reliability Standard, both with regard to the need and justification for the Reliability Standard and the content of the Reliability Standard.

- ***Consensus vote***

NERC shall use its voting process to determine if there is sufficient consensus to approve a proposed Reliability Standard, definition, Variance, or Interpretation. NERC shall form a ballot pool for each Reliability Standard action from interested members of its Registered Ballot Body. Approval of any Reliability Standard action requires:

- A quorum, which is established by at least 75% of the members of the ballot pool submitting a response excluding unreturned ballots; and
- A two-thirds majority of the weighted Segment votes cast shall be affirmative. The number of votes cast during all stages of balloting except the final ballot is the sum of affirmative and negative votes with comments, excluding abstentions, non-responses, and negative votes without comments. During the final ballot, the number of votes cast is the sum of affirmative and negative votes, excluding abstentions and non-responses.

- ***Timeliness***  
Development of Reliability Standards shall be timely and responsive to new and changing priorities for reliability of the Bulk Power System.
- ***Metric Policy***  
The International System of units is the preferred units of measurement in NERC Reliability Standard. However, because NERC's Reliability Standards apply in Canada, the United States and portions of Mexico, where applicable, measures are provided in both the metric and English units.

### **1.5: Ethical Participation**

All participants in the NERC Standard development process, including drafting teams, quality reviewers, Standards Committee members and members of the Registered Ballot Body, are obligated to act in an ethical manner in the exercise of all activities conducted pursuant to the terms and conditions of the Standard Processes Manual and the standard development process.

## Section 2.0: Elements of a Reliability Standard

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### 2.1: Definition of a Reliability Standard

A Reliability Standard includes a set of Requirements that define specific obligations of owners, operators, and users of the North American Bulk Power Systems. The Requirements shall be material to reliability and measurable. A Reliability Standard is defined as follows:

“Reliability Standard” means a requirement, approved by the United States Federal Energy Regulatory Commission under Section 215 of the Federal Power Act, or approved or recognized by an applicable governmental authority in other jurisdictions, to provide for Reliable Operation of the Bulk Power System. The term includes requirements for the operation of existing Bulk Power System facilities, including cybersecurity protection, and the design of planned additions or modifications to such facilities to the extent necessary for Reliable Operation of the Bulk Power System, but the term does not include any requirement to enlarge such facilities or to construct new transmission capacity or generation capacity. (In certain contexts, this term may also refer to a “Reliability Standard” that is in the process of being developed, or not yet approved or recognized by FERC or an applicable governmental authority in other jurisdictions). *See Appendix 2 to the NERC Rules of Procedure, Definitions Used in the Rules of Procedure.*

### 2.2: Reliability Principles

NERC Reliability Standards are based on certain reliability principles that define the foundation of reliability for North American Bulk Power Systems.<sup>1</sup> Each Reliability Standard shall enable or support one or more of the reliability principles, thereby ensuring that each Reliability 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 Reliability Standard undermines reliability through an unintended consequence.

### 2.3: Market 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.<sup>2</sup> 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.

### 2.4: Types of Reliability Requirements

Generally, each Requirement of a Reliability Standard shall identify what Functional Entities shall do, and under what conditions, to achieve a specific reliability objective. Although Reliability Standards all follow this format, several types of Requirements may exist, each with a different approach to measurement.

- **Performance-based Requirements** define a specific reliability objective or outcome achieved by one or more entities that has a direct, observable effect on the reliability of the Bulk Power System, *i.e.* an effect that can be measured using power system data or trends. In its simplest form, a performance-based requirement has four components: *who*,

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<sup>1</sup> The intent of the set of NERC Reliability Standards is to deliver an adequate level of reliability. The latest set of reliability principles and the latest set of characteristics associated with an adequate level of reliability are posted on the Reliability Standards Resources web page.

<sup>2</sup> The latest set of market interface principles is posted on the Reliability Standards Resources web page.

*under what conditions (if any), shall perform what action, to achieve what particular result or outcome.*

- **Risk-based Requirements** define actions by one or more entities that reduce a stated risk to the reliability of the Bulk Power System and can be measured by evaluating a particular product or outcome resulting from the required actions. A risk-based reliability requirement should be framed as: *who, under what conditions (if any), shall perform what action, to achieve what particular result or outcome that reduces a stated risk to the reliability of the Bulk Power System.*
- **Capability-based Requirements** define capabilities needed by one or more entities to perform reliability functions and can be measured by demonstrating that the capability exists as required. A capability-based reliability requirement should be framed as: *who, under what conditions (if any), shall have what capability, to achieve what particular result or outcome to perform an action to achieve a result or outcome or to reduce a risk to the reliability of the Bulk Power System.*

The body of reliability Requirements collectively provides a defense-in-depth strategy supporting reliability of the Bulk Power System.

### 2.5: Elements of a Reliability Standard

A Reliability Standard includes several components designed to work collectively to identify what entities must do to meet their reliability-related obligations as an owner, operator or user of the Bulk Power System.

The components of a Reliability Standard may include the following:

**Title:** A brief, descriptive phrase identifying the topic of the Reliability Standard.

**Number:** A unique identification number assigned in accordance with a published classification system to facilitate tracking and reference to the Reliability Standards.<sup>3</sup>

**Purpose:** The reliability outcome achieved through compliance with the Requirements of the Reliability Standard.

**Applicability:** Identifies which entities are assigned reliability requirements. The specific Functional Entities and Facilities to which the Reliability Standard applies.

**Effective Dates:** Identification of the date or pre-conditions determining when each Requirement becomes effective in each jurisdiction.

**Requirement:** An explicit statement that identifies the Functional Entity responsible, the action or outcome that must be achieved, any conditions achieving the action or outcome, and the reliability-related benefit of the action or outcome. Each Requirement shall be a statement for which compliance is mandatory.

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<sup>3</sup> Reliability Standards shall be numbered in accordance with the NERC Standards Numbering Convention as provide on the Reliability Standards Resources web page.

**Compliance Elements:** Elements to aid in the administration of ERO compliance monitoring and enforcement responsibilities.<sup>4</sup>

- **Measure:** Provides identification of the evidence or types of evidence that may demonstrate compliance with the associated requirement.
- **Violation Risk Factors and Violation Severity Levels:** Violation risk factors (VRFs) and violation severity levels (VSLs) are used as factors when determining the size of a penalty or sanction associated with the violation of a requirement in an approved reliability standard.<sup>5</sup> Each requirement in each reliability standard has an associated VRF and a set of VSLs. VRFs and VSLs are developed by the drafting team, working with NERC Staff, at the same time as the associated reliability standard, but are not part of the reliability standard. The Board of Trustees is responsible for approving VRFs and VSLs.
  - **Violation Risk Factors**  
VRFs identify the potential reliability significance of noncompliance with each requirement. Each requirement is assigned a VRF in accordance with the latest approved set of VRF criteria.<sup>6</sup>
  - **Violation Severity Levels**  
VSLs define the degree to which compliance with a requirement was not achieved. Each requirement shall have at least one VSL. While it is preferable to have four VSLs for each requirement, some requirements do not have multiple “degrees” of noncompliant performance and may have only one, two, or three VSLs. Each requirement is assigned one or more VSLs in accordance with the latest approved set of VSL criteria.<sup>7</sup>

**Version History:** The version history is provided for informational purposes and lists information regarding prior versions of Reliability Standards.

**Variance:** A Requirement (to be applied in the place of the continent-wide Requirement) that is applicable to a specific geographic area or to a specific set of Registered Entities.

**Compliance Enforcement Authority:** The entity that is responsible for assessing performance or outcomes to determine if an entity is compliant with the associated Reliability Standard. The Compliance Enforcement Authority will be NERC or the Regional Entity in their respective roles of monitoring and enforcing compliance with the NERC Reliability Standards.

**Application guidelines:** Guidelines to support the implementation of the associated Reliability Standard.

**Procedures:** Procedures to support implementation of the associated Reliability Standard.

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<sup>4</sup> It is the responsibility of the ERO staff to develop compliance tools for each standard; these tools are not part of the standard but are referenced in this manual because the preferred approach to developing these tools is to use a transparent process that leverages the technical and practical expertise of the drafting team and ballot pool..

<sup>5</sup> The *Sanction Guidelines of the North American Electric Reliability Corporation* identifies the factors used to determine a penalty or sanction for violation of reliability standard and is posted on the NERC Web Site.

<sup>6</sup> The latest set of approved VRF Criteria is posted on the Reliability Standards Resources Web Page.

<sup>7</sup> The latest set of approved VSL Criteria is posted on the Reliability Standards Resources Web Page.

## Elements of a Reliability Standard

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The only mandatory and enforceable components of a Reliability Standard are the: (1) applicability, (2) Requirements, and the (3) effective dates. The additional components are included in the Reliability Standard for informational purposes, to establish the relevant scope and technical paradigm, and to provide guidance to Functional Entities concerning how compliance will be assessed by the Compliance Enforcement Authority.

## Section 3.0: Reliability Standards Program Organization

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### 3.1: Board of Trustees

The NERC Board of Trustees shall consider for adoption Reliability Standards, definitions, Variances and Interpretations and associated implementation plans that have been processed according to the processes identified in this manual. Once the Board adopts a Reliability Standard, definition, Variance or Interpretation, the Board shall direct NERC Staff to file the document(s) for approval with Applicable Governmental Authorities.

### 3.2: Registered Ballot Body

The Registered Ballot Body comprises all entities or individuals that qualify for one of the Segments approved by the Board of Trustees<sup>8</sup>, and are registered with NERC as potential ballot participants in the voting on Reliability Standards. Each member of the Registered Ballot Body is eligible to join the ballot pool for each Reliability Standard action.

### 3.3: Ballot Pool

Each Reliability 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 request to participate in that particular Reliability Standard action. The ballot pool votes on each Reliability Standards action. The ballot pool remains in place until all balloting related to that Reliability Standard action has been completed.

### 3.4: Standards Committee

The Standards Committee serves at the pleasure and direction of the NERC Board of Trustees, and the Board approves the Standards Committee's Charter.<sup>9</sup> Standards Committee members are elected by their respective Segment's stakeholders. The Standards Committee consists of two members of each of the Segments in the Registered Ballot Body.<sup>10</sup> A member of the NERC Reliability Standards Staff shall serve as the non-voting secretary to the Standards Committee.

The Standards Committee is responsible for managing the Reliability Standards processes for development of Reliability Standards, definitions, Variances and Interpretations in accordance with this manual. The responsibilities of the Standards Committee are defined in detail in the Standards Committee's Charter. The Standards Committee is responsible for ensuring that the Reliability Standards, definitions, Variances and Interpretations developed by drafting teams are developed in accordance with the processes in this manual and meet NERC's benchmarks for Reliability Standards as well as criteria for governmental approval.<sup>11</sup>

The Standards Committee has the right to remand work to a drafting team, to reject the work of a drafting team, or to accept the work of a drafting team. The Standards Committee may disband a drafting team if it determines (a) that the drafting team is not producing a standard in a timely manner; (b) the drafting team

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<sup>8</sup> The industry Segment qualifications are described in the Development of the Registered Ballot Body and Segment Qualification Guidelines document posted on the Reliability Standards Resources web page and are included in Appendix 3D of the NERC Rules of Procedure.

<sup>9</sup> The Standards Committee Charter is posted on the Reliability Standards Resources web page.

<sup>10</sup> In addition to balanced 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.

<sup>11</sup> The Ten Benchmarks of an Excellent Reliability Standard and FERC's Criteria for Approving Reliability Standards are posted on the Reliability Standards Resources web page.



is not able to produce a standard that will achieve industry consensus; (c) the drafting team has not addressed the scope of the SAR; or (d) the drafting team has failed to fully address a regulatory directive or otherwise provided a responsive or equally efficient and effective alternative. The Standards Committee may direct a drafting team to revise its work to follow the processes in this manual or to meet the criteria for NERC's benchmarks for Reliability Standards, or to meet the criteria for governmental approval; however, the Standards Committee shall not direct a drafting team to change the technical content of a draft Reliability Standard.

The Standards Committee shall meet at regularly scheduled intervals (either in person, or by other means). All Standards Committee meetings are open to all interested parties.

### **3.5: NERC Reliability Standards Staff**

The NERC Reliability Standards Staff, led by the Director of Standards, is responsible for administering NERC's Reliability Standards processes in accordance with this manual. The NERC Reliability Standards Staff provides support to the Standards Committee in managing the Reliability Standards processes and in supporting the work of all drafting teams. The NERC Reliability Standards Staff works to ensure the integrity of the Reliability Standards processes and consistency of quality and completeness of the Reliability Standards. The NERC Reliability Standards Staff facilitates all steps in the development of Reliability Standards, definitions, Variances, Interpretations and associated implementation plans.

The NERC Reliability Standards Staff is responsible for presenting Reliability Standards, definitions, Variances, and Interpretations to the NERC Board of Trustees for adoption. When presenting Reliability Standards-related documents to the NERC Board of Trustees for adoption or approval, the NERC Reliability Standards Staff shall report the results of the associated stakeholder ballot, including identification of unresolved stakeholder objections and an assessment of the document's practicality and enforceability.

### **3.6: Drafting Teams**

The Standards Committee shall appoint industry experts to drafting teams to work with stakeholders in developing and refining Standard Authorization Requests ("SARs"), Reliability Standards, definitions, and Variances. The NERC Reliability Standards Staff shall appoint drafting teams that develop Interpretations. The NERC Reliability Standards Staff shall provide, or solicit from the industry, essential support for each of the drafting teams in the form of technical writers, legal, compliance, and rigorous and highly trained project management and facilitation support personnel.

Each drafting team may consist of a group of technical, legal, and compliance experts that work cooperatively with the support of the NERC Reliability Standards Staff.<sup>12</sup> The technical experts provide the subject matter expertise and guide the development of the technical aspects of the Reliability Standard, assisted by technical writers, legal and compliance experts. The technical experts maintain authority over the technical details of the Reliability Standard. Each drafting team appointed to develop a Reliability Standard is responsible for following the processes identified in this manual as well as procedures developed by the Standards Committee from the inception of the assigned project through the final acceptance of that project by Applicable Governmental Authorities.

Collectively, each drafting team:

- Drafts proposed language for the Reliability Standards, definitions, Variances, and/or Interpretations and associated implementation plans.

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<sup>12</sup> The detailed responsibilities of drafting teams are outlined in the Drafting Team Guidelines, which is posted on the Reliability Standards Resources web page.

- Develops and refines technical documents that aid in the understanding of Reliability Standards.
- Works collaboratively with NERC Compliance Monitoring and Enforcement Staff to develop Reliability Standard Audit Worksheets (“RSAWs”) at the same time Reliability Standards are developed.
- Provides assistance to NERC Staff in the development of Compliance Elements of proposed Reliability Standards.
- Solicits, considers, and responds to comments related to the specific Reliability Standards development project.
- Participates in industry forums to help build consensus on the draft Reliability Standards, definitions, Variances, and/or Interpretations and associated implementation plans.
- Assists in developing the documentation used to obtain governmental approval of the Reliability Standards, definitions, Variances, and/or Interpretations and associated implementation plans.

All drafting teams report to the Standards Committee.

### **3.7: Governmental Authorities**

The Federal Energy Regulatory Commission (“FERC”) in the United States of America, and where permissible by statute or regulation, the federal or provincial governments of other North American jurisdictions that have recognized NERC as the ERO have the authority to approve each new, revised or withdrawn Reliability Standard, definition, Variance, VRF, VSL and Interpretation following adoption or approval by the NERC Board of Trustees.

### **3.8: Committees, Subcommittees, Working Groups, and Task Forces**

NERC’s technical committees, subcommittees, working groups, and task forces provide technical research and analysis used to justify the development of new Reliability Standards and provide guidance, when requested by the Standards Committee, in overseeing field tests or collection and analysis of data. The technical committees, subcommittees, working groups, and task forces provide feedback to drafting teams during both informal and formal comment periods.

The Standards Committee may request that a NERC technical committee or other group prepare a Technical document to support development of a proposed Reliability Standard.

The technical committees, subcommittees, working groups, and task forces share their observations regarding the need for new or modified Reliability Standards or Requirements with the NERC Reliability Standards Staff for use in identifying the need for new Reliability Standards projects for the three-year *Reliability Standards Development Plan*.

### **3.9: Compliance and Certification Committee**

The Compliance and Certification Committee is responsible for monitoring NERC’s compliance with its Reliability Standards processes and procedures and for monitoring NERC’s compliance with the Rules of Procedure regarding the development of new or revised Reliability Standards, definitions, Variances, and Interpretations. The Compliance and Certification Committee may assist in verifying that each proposed Reliability Standard is enforceable as written before the Reliability Standard is posted for formal stakeholder comment and balloting.

### **3.10: Compliance Monitoring and Enforcement Program**

As applicable, the NERC Compliance Monitoring and Enforcement Program Staff manages and enforces compliance with approved Reliability Standards. Compliance Monitoring and Enforcement Staff are responsible for the development of select compliance tools. The drafting team and the Compliance Monitoring and Enforcement Program Staff shall work together during the Reliability Standard development process to ensure an accurate and consistent understanding of the Requirements and their intent, and to ensure that applicable compliance tools accurately reflect that intent. The goal of this collaboration is to ensure that application of the Reliability Standards in the Compliance Monitoring and Enforcement Program by NERC and the Regional Entities is consistent.

The Compliance Monitoring and Enforcement Program is encouraged to share its observations regarding the need for new or modified Requirements with the NERC Reliability Standards Staff for use in identifying the need for new Reliability Standards projects.

### **3.11: North American Energy Standards Board (“NAESB”)**

While NERC has responsibility for developing Reliability Standards to support reliability, NAESB has responsibility for developing business practices and coordination between reliability and business practices as needed. NERC and NAESB developed and approved a procedure<sup>13</sup> to guide the development of Reliability Standards and business practices where the reliability and business practice components are intricately entwined within a proposed Reliability Standard.

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<sup>13</sup> The NERC NAESB Template Procedure for Joint Standards Development and Coordination is posted on the Reliability Standards Resources web page.

## Section 4.0: Process for Developing, Modifying, Withdrawing or Retiring a Reliability Standard

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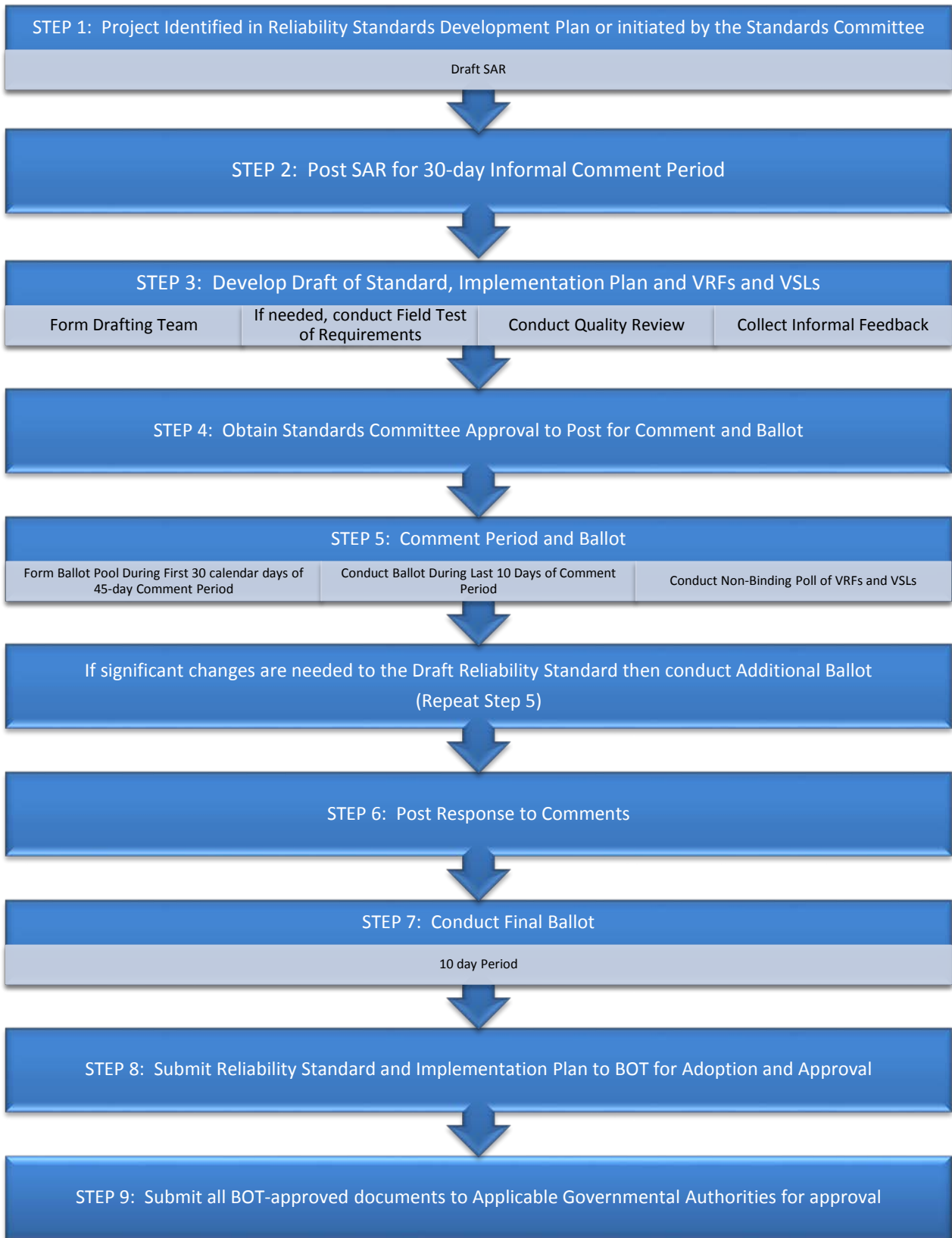
There are several steps to the development, modification, withdrawal or retirement of a Reliability Standard.<sup>14</sup>

The development of the *Reliability Standards Development Plan* is the appropriate forum for reaching agreement on whether there is a need for a Reliability Standard and the scope of a proposed Reliability Standard. A typical process for a project identified in the *Reliability Standards Development Plan* that involves a revision to an existing Reliability Standard is shown below. Note that most projects do not include a field test.

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<sup>14</sup> The process described is also applicable to projects used to propose a new or modified definition or Variance or to propose retirement of a definition or Variance.

## Process for Developing, Modifying, Withdrawing or Retiring a Reliability Standard



**FIGURE 1: Process for Developing or Modifying a Reliability Standard**

### 4.1: Posting and Collecting Information on SARs

#### Standard Authorization Request

A Standard Authorization Request (“SAR”) is the form used to document the scope and reliability benefit of a proposed project for one or more new or modified Reliability Standards or definitions or the benefit of retiring one or more approved Reliability Standards. Any entity or individual, including NERC committees or subgroups and NERC Staff, may propose the development of a new or modified Reliability Standard, or may propose the retirement of a Reliability Standard (in whole or in part), by submitting a completed SAR<sup>15</sup> to the NERC Reliability Standards Staff. The Standards Committee has the authority to approve the posting of all SARs for projects that propose (i) developing a new or modified Reliability Standard or definition or (ii) propose retirement of an existing Reliability Standard (or elements thereof).

The NERC Reliability Standards Staff sponsors an open solicitation period each year seeking ideas for new Reliability Standards projects (using *Reliability Standards Suggestions and Comments forms*). The open solicitation period is held in conjunction with the annual revision to the *Reliability Standards Development Plan*. While the Standards Committee prefers that ideas for new projects be submitted during this annual solicitation period through submittal of a *Reliability Standards Suggestions and Comments Form*,<sup>16</sup> a SAR proposing a specific project may be submitted to the NERC Reliability Standards Staff at any time.

Each SAR that proposes a “new” or substantially revised Reliability Standard or definition should be accompanied by a technical justification that includes, as a minimum, a discussion of the reliability-related benefits and costs of developing the new Reliability Standard or definition, and a technical foundation document (e.g., research paper) to guide the development of the Reliability Standard or definition. The technical document should address the engineering, planning and operational basis for the proposed Reliability Standard or definition, as well as any alternative approaches considered during SAR development.

The NERC Reliability Standards Staff shall review each SAR and work with the submitter to verify that all required information has been provided. All properly completed SARs shall be submitted to the Standards Committee for action at the next regularly scheduled Standards Committee meeting.

When presented with a SAR, the Standards Committee shall determine if the SAR is sufficiently complete to guide Reliability Standard development and whether the SAR is consistent with this manual. The Standards Committee shall take one of the following actions:

- Accept the SAR.
- Remand the SAR back to the requestor or to NERC Reliability Standards Staff for additional work.
- Reject the SAR. The Standards Committee may reject a SAR for good cause. If the Standards Committee rejects a SAR, it shall provide a written explanation for rejection to the sponsor within ten days of the rejection decision.
- Delay action on the SAR pending one of the following: (i) development of a technical justification for the proposed project; or (ii) consultation with another NERC Committee to determine if there is another approach to addressing the issue raised in the SAR.

If the Standards Committee is presented with a SAR that proposes developing a new Reliability Standard or definition but does not have a technical justification upon which the Reliability Standard or definition can be developed, the Standards Committee shall direct the NERC Reliability Standards Staff to post the

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<sup>15</sup> The SAR form can be downloaded from the Reliability Standards Resources web page.

<sup>16</sup> The *Reliability Standards Suggestions and Comments Form* can be downloaded from the Reliability Standards Resources web page.

## Process for Developing, Modifying, Withdrawing or Retiring a Reliability Standard

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SAR for a 30-day comment period solely to collect stakeholder feedback on the scope of technical foundation, if any, needed to support the proposed project. If a technical foundation is determined to be necessary, the Standards Committee shall solicit assistance from NERC's technical committees or other industry experts to provide that foundation before authorizing development of the associated Reliability Standard or definition.

During the SAR comment process, the drafting team may become aware of potential regional Variances related to the proposed Reliability 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 shall be made a part of the draft new or revised Reliability Standard.

If the Standards Committee accepts a SAR, the project shall be added to the list of approved projects. The Standards Committee shall assign a priority to the project, relative to all other projects under development, and those projects already identified in the *Reliability Standards Development Plan* that are already approved for development.

The Standards Committee shall work with the NERC Reliability Standards Staff to coordinate the posting of SARs for new projects, giving consideration to each project's priority.

### **4.2: SAR Posting**

When the Standards Committee determines it is ready to initiate a new project, the Standards Committee shall direct NERC Staff to post the project's SAR in accordance with the following:

- For SARs that are limited to addressing regulatory directives, or revisions to Reliability Standards that have had some vetting in the industry, authorize posting the SAR for a 30-day informal comment period with no requirement to provide a formal response to the comments received.
- For SARs that address the development of new projects or Reliability Standards, authorize posting the SAR for a 30-day formal comment period.

If a SAR for a new Reliability Standard is posted for a formal comment period, the Standards Committee shall appoint a drafting team to work with the NERC Staff coordinator to give prompt consideration of the written views and objections of all participants. The Standards Committee may use a public nomination process to populate the Reliability Standard drafting team, or may use another method that results in a team that collectively has the necessary technical expertise and work process skills to meet the objectives of the project. In some situations, an *ad hoc* team may already be in place with the requisite expertise, competencies, and diversity of views that are necessary to refine the SAR and develop the Reliability Standard, and additional members may not be needed. The drafting team shall address all comments submitted, which may be in the form of a summary response addressing each of the issues raised in comments received, during the public posting period. 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. If the drafting team concludes that there is not sufficient stakeholder support to continue to refine the SAR, the team may recommend that the Standards Committee direct curtailment of work on the SAR.

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. The Standards Committee shall notify the sponsor in writing of the rejection within 10 calendar days.

If stakeholders indicate support for the project proposed with the SAR, the drafting team shall present its work to the Standards Committee with a request that the Standards Committee authorize development of the associated Reliability Standard.

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

- Authorize drafting the proposed Reliability Standard or revisions to a Reliability Standard.
- Reject the SAR with a written explanation to the sponsor and post that explanation.

### **4.3: Form Drafting Team**

When the Standards Committee is ready to have a drafting team begin work on developing a new or revised Reliability Standard, the Standards Committee shall appoint a drafting team, if one was not already appointed to develop the SAR. If the Standards Committee appointed a drafting team to refine the SAR, the same drafting team shall work to develop the associated Reliability Standard.

If no drafting team is in place, then the Standards Committee may use a public nomination process to populate the Reliability Standard drafting team, or may use another method that results in a team that collectively has the necessary technical expertise, diversity of views and work process skills to accomplish the objectives of the project on a timely basis. In some situations, an ad hoc team may already be in place with the requisite expertise, competencies, and diversity of views that are necessary to develop the Reliability Standard, and additional members may not be needed.

The NERC Reliability Standards Staff shall provide one or more members as needed to support the team with facilitation, project management, compliance, legal, regulatory and technical writing expertise and shall provide administrative support to the team, guiding the team through the steps in completing its project. In developing the Reliability Standard, the individuals provided by the NERC Reliability Standards Staff serve as advisors to the drafting team and do not have voting rights but share accountability along with the drafting team members assigned by the Standards Committee for timely delivery of a final draft Reliability Standard that meets the quality attributes identified in NERC's Benchmarks for Excellent Standards. The drafting team members assigned by the Standards Committee shall have final authority over the technical details of the Reliability Standard, while the technical writer shall provide assistance to the drafting team in assuring that the final draft of the Reliability Standard meets the quality attributes identified in NERC's Benchmarks for Excellent Standards.

Once it is appointed by the Standards Committee, the Reliability Standard drafting team is responsible for making recommendations to the Standards Committee regarding the remaining steps in the Reliability Standards process. Consistent with the need to provide for timely standards development, the Standards Committee may decide a project is so large that it should be subdivided and either assigned to more than one drafting team or assigned to a single drafting team with clear direction on completing the project in specified phases. The normally expected timeframes for standards development within the context of this manual are applicable to individual standards and not to projects containing multiple standards. Alternatively, a single drafting team may address the entire project with a commensurate increase in the expected duration of the development work. If a SAR is subdivided and assigned to more than one drafting team, each drafting team will have a clearly defined portion of the work such that there are no overlaps and no gaps in the work to be accomplished.

The Standards Committee may supplement the membership of a Reliability Standard drafting team or provide for additional advisors, as appropriate, to ensure the necessary competencies and diversity of views are maintained throughout the Reliability Standard development effort.

### **4.4: Develop Preliminary Draft of Reliability Standard, Implementation Plan and VRFs and VSLs**

#### **4.4.1: Project Schedule**



When a drafting team begins its work, either in refining a SAR or in developing or revising a proposed Reliability Standard, the drafting team shall develop a project schedule which shall be approved by the Standards Committee. The drafting team shall report progress to the Standards Committee, against the initial project schedule and any revised schedule as requested by the Standards Committee. Where project milestones cannot be completed on a timely basis, modifications to the project schedule must be presented to the Standards Committee for consideration along with proposed steps to minimize unplanned project delays.

### **4.4.2: Draft Reliability Standard**

The team shall develop a Reliability Standard that is within the scope of the associated SAR that includes all required elements as described earlier in this manual with a goal of meeting the quality attributes identified in NERC's Benchmarks for Excellent Standards and criteria for governmental approval. The team shall document its justification for the Requirements in its proposed Reliability Standard by explaining how each meets these criteria. The standard drafting team shall document its justification for selecting each reference by explaining how each Requirement fits the category chosen.

### **4.4.3: Implementation Plan**

As a drafting team drafts its proposed revisions to a Reliability Standard, that team is also required to develop an implementation plan to identify any factors for consideration when approving the proposed effective date or dates for the associated Reliability Standard or Standards. As a minimum, the implementation plan shall include the following:

- The proposed effective date (the date entities shall be compliant) for the Requirements.
- Identification of any new or modified definitions that are proposed for approval with the associated Reliability Standard.
- Whether there are any prerequisite actions that need to be accomplished before entities are held responsible for compliance with one or more of the Requirements.
- Whether approval of the proposed Reliability Standard will necessitate any conforming changes to any already approved Reliability Standards – and identification of those Reliability Standards and Requirements.
- The Functional Entities that will be required to comply with one or more Requirements in the proposed Reliability Standard.

A single implementation plan may be used for more than one Reliability Standard. The implementation plan is posted with the associated Reliability Standard or Standards during the 45 (calendar) day formal comment period and is balloted with the associated Reliability Standard.

### **4.4.4: Violation Risk Factors and Violation Severity Levels**

The drafting team shall work with NERC Staff in developing a set of VRFs and VSLs that meet the latest criteria established by NERC and Applicable Governmental Authorities. The drafting team shall document its justification for selecting each VRF and for setting each set of proposed VSLs by explaining how its proposed VRFs and VSLs meet these criteria. NERC Staff is responsible for ensuring that the VRFs and VSLs proposed for stakeholder review meet these criteria.

Before the drafting team has finalized its Reliability Standard, implementation plan, and VRFs and VSLs, the team should seek stakeholder feedback on its preliminary draft documents.

### **4.5: Informal Feedback<sup>17</sup>**

Drafting teams may use a variety of methods to collect informal stakeholder feedback on preliminary drafts of its documents, including the use of informal comment periods,<sup>18</sup> webinars, industry meetings, workshops, or other mechanisms. Information gathered from informal comment forms shall be publicly posted. While drafting teams are not required to provide a written response to each individual comment received, drafting teams are encouraged, where possible, to post a summary response that identifies how it used comments submitted by stakeholders. Drafting teams are encouraged, where possible, to reach out directly to individual stakeholders in order to facilitate resolution of identified stakeholder concerns. The intent is to gather stakeholder feedback on a “working document” before the document reaches the point where it is considered the “final draft.”

### **4.6: Conduct Quality Review**

The NERC Reliability Standards Staff shall coordinate a quality review of the Reliability Standard, implementation plan, and VRFs and VSLs in parallel with the development of the Reliability Standard and implementation plan, to assess whether the documents are within the scope of the associated SAR, whether the Reliability Standard is clear and enforceable as written, and whether the Reliability Standard meets the criteria specified in NERC’s Benchmarks for Excellent Standards and criteria for governmental approval of Reliability Standards. The drafting team shall consider the results of the quality review, decide upon appropriate changes, and recommend to the Standards Committee whether the documents are ready for formal posting and balloting.

The Standards Committee shall authorize posting the proposed Reliability Standard, and implementation plan for a formal comment period and ballot and the VRFs and VSLs for a non-binding poll as soon as the work flow will accommodate.

If the Standards Committee finds that any of the documents do not meet the specified criteria, the Standards Committee shall remand the documents to the drafting team for additional work.

If the Reliability Standard is outside the scope of the associated SAR, the drafting team shall be directed to either revise the Reliability Standard so that it is within the approved scope, or submit a request to expand the scope of the approved SAR. If the Reliability Standard is not clear and enforceable as written, or if the Reliability Standard does not meet the specified criteria, the Reliability Standard shall be returned to the drafting team by the Standards Committee with specific identification of any Requirement that is deemed to be unclear or unenforceable as written.

### **4.7: Conduct Formal Comment Period and Ballot**

Proposed new or modified Reliability Standards require a formal comment period where the new or modified Reliability Standard, implementation plan and associated VRFs and VSLs or the proposal to retire a Reliability Standard, implementation plan and associated VRFs and VSLs are posted.

The formal comment period shall be at least 45-days long. Formation of the ballot pool and Ballot of the Reliability Standard take place during this formal 45-day comment period. The intent of the formal comment period(s) is to solicit very specific feedback on the final draft of the Reliability Standard, implementation plan and VRFs and VSLs.

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<sup>17</sup> While this discussion focuses on collecting stakeholder feedback on proposed Reliability Standards and implementation plans, the same process is used to collect stakeholder feedback on proposed new or modified Interpretations, definitions and Variances.

<sup>18</sup> The term “informal comment period” refers to a comment period conducted outside of the ballot process and where there is no requirement for a drafting team to respond in writing to submitted comments.

Comments in written form may be submitted on a draft Reliability Standard by any interested stakeholder, including NERC Staff, FERC Staff, and other interested governmental authorities. If stakeholders disagree with some aspect of the proposed set of products, comments provided should explain the reasons for such disagreement and, where possible, suggest specific language that would make the product acceptable to the stakeholder.

### **4.8: Form Ballot Pool**

The NERC Reliability Standards Staff shall establish a ballot pool during the first 30 calendar days of the 45-day formal comment period. The NERC Reliability Standards Staff shall post the proposed Reliability Standard, along with its implementation plan, VRFs and VSLs and shall send a notice to every entity in the Registered Ballot Body to provide notice that there is a new or revised Reliability Standard proposed for approval and to solicit participants for the associated ballot pool. All members of the Registered Ballot Body are eligible to join each ballot pool to vote on a new or revised Reliability Standard and its implementation plan and to participate in the non-binding poll of the associated VRFs and VSLs.

Any member of the Registered Ballot Body may join or withdraw from the ballot pool until the ballot window opens. No Registered Ballot Body member may join or withdraw from the ballot pool once the first ballot starts through the point in time where balloting for that Reliability Standard action has ended. The Director of Standards may authorize deviations from this rule for extraordinary circumstances such as the death, retirement, or disability of a ballot pool member that would prevent an entity that had a member in the ballot pool from eligibility to cast a vote during the ballot window. Any approved deviation shall be documented and noted to the Standards Committee.

### **4.9: Conduct Ballot and Non-binding Poll of VRFs and VSLs<sup>19</sup>**

The NERC Reliability Standards Staff shall announce the opening of the Ballot window and the non-binding poll of VRFs and VSLs. The Ballot window and non-binding poll of VRFs and VSLs shall take place during the last 10 calendar days of the 45-day formal comment period and for the Final Ballot shall be no less than 10 calendar days. If the last day of the ballot window falls on a Saturday or Sunday, the period does not end until the next business day.<sup>20</sup>

The ballot and non-binding poll shall be conducted electronically. The voting window shall be for a period of 10 calendar days but shall be extended, if needed, until a quorum is achieved. During a ballot window, NERC shall not sponsor or facilitate public discussion of the Reliability Standard action under ballot.

There is no requirement to conduct a new non-binding poll of the revised VRFs and VSLs if no changes were made to the associated standard, however if the requirements are modified and conforming changes are made to the associated VRFs and VSLs, another non-binding poll of the revised VRFs and VSLs shall be conducted.

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<sup>19</sup> While RSAWs are not part of the Reliability Standard, they are developed through collaboration of the SDT and NERC Compliance Staff. A non-binding poll, similar to what is done for VRFs and VSLs may be conducted for the RSAW developed through this process to gauge industry support for the companion RSAW to be provided for informational purposes to the NERC Board of Trustees.

<sup>20</sup> Closing dates may be extended as deemed appropriate by NERC Staff.

### 4.10: Criteria for Ballot Pool Approval

Ballot pool approval of a Reliability Standard requires:

A quorum, which is established by at least 75% of the members of the ballot pool submitting a response; and

A two-thirds majority of the weighted Segment votes cast shall be affirmative. The number of votes cast is the sum of affirmative votes and negative votes with comments. This calculation of votes for the purpose of determining consensus excludes (i) abstentions, (ii) non-responses, and (iii) negative votes without comments.

The following process<sup>21</sup> is used to determine if there are sufficient affirmative votes.

- For each Segment with ten or more voters, the following process shall be used: The number of affirmative votes cast shall be divided by the sum of affirmative and negative votes with comments cast to determine the fractional affirmative vote for that Segment. Abstentions, non-responses, and negative votes without comments shall not be counted for the purposes of determining the fractional affirmative vote for a Segment.
- For each Segment with less than ten voters, the vote weight of that Segment shall be proportionally reduced. Each voter within that Segment voting affirmative or negative with comments shall receive a weight of 10% of the Segment vote.
- The sum of the fractional affirmative votes from all Segments divided by the number of Segments voting<sup>22</sup> shall be used to determine if a two-thirds majority has been achieved. (A Segment shall be considered as “voting” if any member of the Segment in the ballot pool casts either an affirmative vote or a negative vote with comments.)
- A Reliability Standard shall be approved if the sum of fractional affirmative votes from all Segments divided by the number of voting Segments is at least two thirds.

### 4.11: Voting Positions

Each member of the ballot pool may **only** vote one of the following positions on the Ballot and Additional Ballot(s):

- Affirmative;
- Affirmative, with comment;
- Negative with comments;
- Abstain.

Given that there is no formal comment period concurrent with the Final Ballot, each member of the ballot pool may **only** vote one of the following positions on the Final Ballot:

- Affirmative;
- Negative;<sup>23</sup>
- Abstain.

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<sup>21</sup> Examples of weighted segment voting calculation are posted on the Reliability Standards Resources web page.

<sup>22</sup> 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.

<sup>23</sup> The Final Ballot is used to confirm consensus achieved during the Formal Comment and Ballot stage. Ballot Pool members voting negative on the Final Ballot will be deemed to have expressed the reason for their negative ballot in their own comments or the comments of others during prior Formal Comment periods.

### **4.12: Consideration of Comments**

If a stakeholder or balloter proposes a significant revision to a Reliability Standard during the formal comment period or concurrent Ballot that will improve the quality, clarity, or enforceability of that Reliability Standard, then the drafting team may choose to make such revisions and post the revised Reliability Standard for another 45 calendar day public comment period and ballot. Prior to posting the revised Reliability Standard for an additional comment period, the drafting team must communicate this decision to stakeholders. This communication is intended to inform stakeholders that the drafting team has identified that significant revisions to the Reliability Standard are necessary and should note that the drafting team is not required to respond in writing to comments from the previous ballot. The drafting team will respond to comments received in the last Additional Ballot prior to conducting a Final Ballot.

There is no formal comment period concurrent with the Final Ballot and no obligation for the drafting team to respond to any comments submitted during the Final Ballot.

### **4.13: Additional Ballots**

A drafting team must respond in writing to every stakeholder written comment submitted in response to a ballot prior to conducting a Final Ballot. These responses may be provided in summary form, but all comments and objections must be responded to by the drafting team. All comments received and all responses shall be publicly posted.

However, a drafting team is not required to respond in writing to comments to the previous ballot when it determines that significant changes are needed and an Additional Ballot will be conducted.

### **4.14: Conduct Final Ballot**

When the drafting team has reached a point where it has made a good faith effort at resolving applicable objections and is not making any substantive changes from the previous ballot, the team shall conduct a “Final Ballot.” A non-substantive revision is a revision that does not change the scope, applicability, or intent of any Requirement and includes but is not limited to things such as correcting the numbering of a Requirement, correcting the spelling of a word, adding an obviously missing word, or rephrasing a Requirement for improved clarity. Where there is a question as to whether a proposed modification is “substantive,” the Standards Committee shall make the final determination.

In the Final Ballot, members of the ballot pool shall again be presented the proposed Reliability Standard along with the reasons for negative votes from the previous ballot, the responses of the drafting team to those concerns, and any resolution of the differences.

All members of the ballot pool shall be permitted to reconsider and change their vote from the prior ballot. Members of the ballot pool who did not respond to the prior ballot shall be permitted to vote in the Final Ballot. In the Final Ballot, votes shall be counted by exception only — members on the Final Ballot may indicate a revision to their original vote; otherwise their vote shall remain the same as in their prior ballot.

### **4.15: Final Ballot Results**

There are no limits to the number of public comment periods and ballots that can be conducted to result in a Reliability Standard or interpretation that is clear and enforceable, and achieves a quorum and sufficient affirmative votes for approval. The Standards Committee has the authority to conclude this process for a particular Reliability Standards action if it becomes obvious that the drafting team cannot develop a Reliability Standard that is within the scope of the associated SAR, is sufficiently clear to be enforceable, and achieves the requisite weighted Segment approval percentage.

The NERC Reliability Standards Staff shall post the final outcome of the ballot process. If the Reliability Standard is rejected, the Standards Committee may decide whether to end all further work on the proposed standard, return the project to informal development, or continue holding ballots to attempt to reach

consensus on the proposed standard. If the Reliability Standard is approved, the Reliability Standard shall be posted and presented to the Board of Trustees by NERC management for adoption and subsequently filed with Applicable Governmental Authorities for approval.

### **4.16: Board of Trustees Adoption of Reliability Standards, Implementation Plan and VRFs and VSLs**

If a Reliability Standard and its associated implementation plan are approved by its ballot pool, the Board of Trustees shall consider adoption of that Reliability Standard and its associated implementation plan and shall direct the standard to be filed with Applicable Governmental Authorities for approval. In making its decision, the Board shall consider the results of the balloting and unresolved dissenting opinions. The Board shall adopt or reject a Reliability Standard and its implementation plan, but shall not modify a proposed Reliability Standard. If the Board chooses not to adopt a Reliability Standard, it shall provide its reasons for not doing so.

The board shall consider approval of the VRFs and VSLs associated with a reliability standard. In making its determination, the board shall consider the following:

- The Standards Committee shall present the results of the non-binding poll conducted and a summary of industry comments received on the final posting of the proposed VRFs and VSLs.
- NERC Staff shall present a set of recommended VRFs and VSLs that considers the views of the standard drafting team, stakeholder comments received on the draft VRFs and VSLs during the posting for comment process, the non-binding poll results, appropriate governmental agency rules and directives, and VRF and VSL assignments for other Reliability Standards to ensure consistency and relevance across the entire spectrum of Reliability Standards.

### **4.17: Compliance**

For a Reliability Standard to be enforceable, it shall be approved by its ballot pool, adopted by the NERC Board of Trustees, and approved by Applicable Governmental Authorities, unless otherwise approved by the NERC Board of Trustees pursuant to the NERC Rules of Procedure (*e.g.*, Section 321) and approved by Applicable Governmental Authorities. Once a Reliability Standard is approved or otherwise made mandatory by Applicable Governmental Authorities, all persons and organizations subject to jurisdiction of the ERO will be required to comply with the Reliability Standard in accordance with applicable statutes, regulations, and agreements.

### **4.18: Withdrawal of a Reliability Standard, Interpretation, or Definition**

The term “withdrawal” as used herein, refers to the discontinuation of a Reliability Standard, Interpretation, Variance or definition that has been approved by the Board of Trustees and (1) has not been filed with Applicable Governmental Authorities, or (2) has been filed with, but not yet approved by, Applicable Governmental Authorities. The Standards Committee may withdraw a Reliability Standard, Interpretation or definition for good cause upon approval by the Board of Trustees. Upon approval by the Board of Trustees, NERC Staff will petition the Applicable Governmental Authorities, as needed, to allow for withdrawal. The Board of Trustees also has an independent right of withdrawal that is unaffected by the terms and conditions of this Section.

### **4.19: Retirement of a Reliability Standard, Interpretation, or Definition**

The term “retirement” refers to the discontinuation of a Reliability Standard, Interpretation or definition that has been approved by Applicable Governmental Authorities. A Reliability Standard, Variance or Definition may be retired when it is superseded by a revised version, and in such cases the retirement of the

## Process for Developing, Modifying, Withdrawing or Retiring a Reliability Standard

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earlier version is to be noted in the implementation plan presented to the ballot pool for approval and the retirement shall be considered approved by the ballot pool upon ballot pool approval of the revised version.

Upon identification of a need to retire a Reliability Standard, Variance, Interpretation or definition, where the item will not be superseded by a new or revised version, a SAR containing the proposal to retire a Reliability Standard, Variance, Interpretation or definition will be posted for a comment period and ballot in the same manner as a Reliability Standard. The proposal shall include the rationale for the retirement and a statement regarding the impact of retirement on the reliability of the Bulk Power System. Upon approval by the Board of Trustees, NERC Staff will petition the Applicable Governmental Authorities to allow for retirement.

## Section 5.0: Process for Developing a Defined Term

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NERC maintains a glossary of approved terms, entitled the *Glossary of Terms Used in NERC Reliability Standards*<sup>24</sup> (“Glossary of Terms”). The Glossary of Terms includes terms that have been through the formal approval process and are used in one or more NERC Reliability Standards. Definitions shall not contain statements of performance Requirements. The Glossary of Terms is intended to provide consistency throughout the Reliability Standards.

There are several methods that can be used to add, modify or retire a defined term used in a continent-wide Reliability Standard.

- Anyone can use a Standard Authorization Request (“SAR”) to submit a request to add, modify, or retire a defined term.
- Anyone can submit a Standards Comments and Suggestions Form recommending the addition, modification, or retirement of a defined term. (The suggestion would be added to a project and incorporated into a SAR.)
- A drafting team may propose to add, modify, or retire a defined term in conjunction with the work it is already performing.

### 5.1: Proposals to Develop a New or Revised Definition

The following considerations should be made when considering proposals for new or revised definitions:

- Some NERC Regional Entities have defined terms that have been approved for use in Regional Reliability Standards, and where the drafting team agrees with a term already defined by a Regional Entity, the same definition should be adopted if needed to support a NERC Reliability Standard.
- If a term is used in a Reliability Standard according to its common meaning (as found in a collegiate dictionary), the term shall not be proposed for addition to the Glossary of Terms.
- If a term has already been defined, any proposal to modify or delete that term shall consider all uses of the definition in approved Reliability Standards, with a goal of determining whether the proposed modification is acceptable, and whether the proposed modification would change the scope or intent of any approved Reliability Standards.
- When practical, where NAESB has a definition for a term, the drafting team shall use the same definition to support a NERC Reliability Standard.

Any definition that is balloted separately from a proposed new or modified Reliability Standard or from a proposal for retirement of a Reliability Standard shall be accompanied by an implementation plan.

If a SAR is submitted to the NERC Reliability Standards Staff with a proposal for a new or revised definition, the Standards Committee shall consider the urgency of developing the new or revised definition and may direct NERC Staff to post the SAR immediately, or may defer posting the SAR until a later time based on its priority relative to other projects already underway or already approved for future development. If the SAR identifies a term that is used in a Reliability Standard already under revision by a drafting team, the Standards Committee may direct the drafting team to add the term to the scope of the existing project. Each time the Standards Committee accepts a SAR for a project that was not identified in the *Reliability Standards Development Plan*, the project shall be added to the list of approved projects.

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<sup>24</sup> The latest approved version of the Glossary of Terms is posted on the NERC website on the Standards web page.



### **5.2: Stakeholder Comments and Approvals**

Any proposal for a new or revised definition shall be processed in the same manner as a Reliability Standard and quality review shall be conducted in parallel with this process. Once authorized by the Standards Committee, the proposed definition and its implementation plan shall be posted for at least one formal stakeholder comment period and shall be balloted in the same manner as a Reliability Standard. If a new or revised definition is proposed by a drafting team, that definition may be balloted separately from the associated Reliability Standard.

Each definition that is approved by its ballot pool shall be submitted to the NERC Board of Trustees for adoption and then filed with Applicable Governmental Authorities for approval in the same manner as a Reliability Standard.

## Section 6.0: Process for Conducting Field Tests

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While most drafting teams can develop Reliability Standards without the need to conduct any field tests and without the need to collect and analyze data, some Reliability Standard development efforts may benefit from field tests to analyze data and validate concepts in the development of Reliability Standards. Drafting teams are not required to collect and analyze data or to conduct a field test to validate a Reliability Standard.

A field test is initiated by either a SAR or Reliability Standard drafting team. The drafting team may be supplemented with other individuals based on the required technical expertise needed to support the field test. The drafting team is responsible for developing the field test plan, including the implementation schedule, and for identifying compliance related issues such as the potential need for compliance waivers.

### 6.1: Field Tests and Data Analysis (collectively “field test”)

- Field tests to validate concepts that support the development of Reliability Standards should be conducted, to the extent possible, before the SAR for a project is finalized.
- To conduct a field test of a technical concept in a proposed new or revised Reliability Standard, the drafting team must work with NERC Staff to identify one of NERC’s technical committees to oversee the field test as well as other technical committees with relevant technical expertise.
- The field test is conducted by the drafting team, in coordination with NERC Staff and under the oversight of the assigned technical committee, in accordance with an approved field test plan.

#### 6.1.1. Field Test Approval

The request to conduct a field test shall include, at a minimum:

- the field test plan,
- the implementation schedule, and
- an expectation for periodic updates of the analysis of the results to the lead NERC technical committee.

Prior to the drafting team conducting a field test, the drafting team must first receive approval from the lead NERC technical committee. Second, the drafting team must receive approval from the Standards Committee.

The lead NERC technical committee’s approval shall be based on the technical adequacy of the field test plan. Following approval, the lead NERC technical committee shall provide a recommendation to the Standards Committee for the disposition of the field test plan request. The lead NERC technical committee shall coordinate all entity participation in the field test, such as accepting, adding, and withdrawing individual entities from the field test, as well as coordinating and communicating status of the results of the field test.

The Standards Committee’s decision to approve the field test plan request shall be based solely on whether the Standards Committee, by majority vote, agrees or disagrees with the lead NERC technical committee’s recommendation. If the Standards Committee disagrees with the lead NERC technical committee’s recommendation, the Standards Committee shall inform the lead NERC technical committee with an explanation of the basis for the decision.

### **6.1.2: Field Test Suspension for Reliability Concerns**

During the field test, if the lead NERC technical committee overseeing the field test determines that the field test is creating a reliability risk to the Bulk Power System:

- the lead NERC technical committee shall stop or modify the activity;
- the lead NERC technical committee shall inform the Standards Committee that the activity was stopped or modified;
- the Standards Committee, with the assistance of NERC Staff, shall document the cessation or modification of the field test; and
- the Standards Committee, with the assistance of NERC Staff, shall notify NERC Compliance Monitoring and Enforcement Program Staff to coordinate any compliance related issues such as continuance or cessation of waivers (see Section 6.2).

Prior to the field test being restarted after it has been stopped, the drafting team must resubmit the field test request and receive approval as outlined in Section 6.1.1.

### **6.1.3: Continuing, Modifying, or Terminating a Field Test**

If the drafting team concludes that a field test does not provide sufficient information to formulate a conclusion within the time allotted in the plan, the drafting team shall provide a recommendation to either continue (including extending the duration of the field test beyond the period of standard development), modify, or terminate the field test to the lead NERC technical committee and the chair of the Standards Committee. The lead NERC technical committee shall either approve or reject a request to continue, modify, or terminate the field test, and thereafter, provide notice to the chair of the Standards Committee of its selection.

If the duration of the field test is extended beyond the period of standard development, the preliminary report and results shall be publicly posted on the NERC web site prior to the final ballot of the Reliability Standard.

## **6.2: Communication and Coordination for All Types of Field Tests**

After approval of the field test, the drafting team may request waivers of compliance for field test participants that would be rendered incapable of complying with the Requirement(s) of a currently enforceable Reliability Standard due to their participation. The NERC Compliance Monitoring and Enforcement Program Staff shall determine whether to approve the requested waivers and shall be responsible for approving any modifications or terminations that may become necessary following the start of the field test. The NERC Reliability Standards Staff shall inform the affected Registered Entities. Prior to initiation of the field test, the chair of the Standards Committee, in conjunction with the lead NERC technical committee chair, shall inform the Board of Trustees of the pending field test, the expected duration, and any requested waivers of compliance for Registered Entities.

During the field test, the drafting team shall provide periodic updates (no less than quarterly) on the progress of the field test to the Standards Committee and the NERC technical committees. Prior to the ballot of any standard involving a field test, the drafting team shall provide to the Standards Committee either a preliminary report of the results of the field test to date, if the field test will continue beyond standard development, or a final report if the field test has been completed. The chair of the Standards Committee shall keep the Board of Trustees informed.

The field test plan and all reports and results shall be publicly posted on the NERC web site. This posting shall include the participant list, unless it is determined that posting this list would present confidentiality or other concerns.

## Section 7.0: Process for Developing an Interpretation

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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. A valid Interpretation response provides additional clarity about one or more Requirements, but does not expand on any Requirement and does not explain how to comply with any Requirement. Any entity that is directly and materially affected by the reliability of the North American Bulk Power Systems may request an Interpretation of any Requirement in any continent-wide Reliability Standard that has been adopted by the NERC Board of Trustees. Interpretations will only be provided for Board of Trustees-approved Reliability Standards *i.e.* (i) the current effective version of a Reliability Standard; or (ii) a version of a Reliability Standard with a future effective date.

### 7.1: Valid Interpretation

An Interpretation may only clarify the language of the Requirement(s) of an approved Reliability Standard, including, if applicable, any attachment referenced in the Requirement. The Interpretation may not alter the scope or the language of a Requirement or referenced attachment. No other elements of an approved Reliability Standard are subject to an Interpretation.

### 7.2: Process for Requesting an Interpretation

The entity requesting the Interpretation shall submit a *Request for Interpretation* form<sup>25</sup> to the NERC Reliability Standards Staff explaining the clarification required, the specific circumstances surrounding the request, and the impact of not having the Interpretation provided. NERC Reliability Standards and Legal Staff shall review the request for Interpretation to determine whether it meets the requirements for a valid Interpretation. Based on this review, NERC Staff shall make a recommendation to the Standards Committee whether to accept the request for Interpretation and move forward in responding to the Interpretation request.

#### 7.2.1: Rejection of an Interpretation Request

A request for Interpretation may be rejected in the following circumstances:

- Where the request seeks approval of a particular compliance approach.<sup>26</sup>
- Where the issue can be addressed by incorporating the issue into an existing or future standard development project.
- Where the request seeks clarification of any element of a Reliability Standard other than a Requirement.
- Where the issue has already been addressed in the record.
- Where the request identifies an issue and proposes the development of a new or modified Reliability Standard (such issues should be addressed via submission of a SAR).
- Where the request seeks to expand the scope of a Reliability Standard.
- Where the meaning of a Reliability Standard is plain on its face.

If the Standards Committee rejects the Interpretation request, it shall provide a written explanation for the rejection to the entity requesting the Interpretation within 10 business days of the decision to reject.

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<sup>25</sup> The *Request for Interpretation* form is posted on the NERC Standards web page.

<sup>26</sup> Requests that contain specific compliance approaches, or examples of compliance, are not candidates for Interpretations and should be pursued through the applicable NERC Compliance Monitoring and Enforcement Program processes.

### **7.2.2: Acceptance of an Interpretation Request**

If the Standards Committee accepts the Interpretation request, the Standards Committee shall authorize NERC Reliability Standards Staff to assemble an Interpretation drafting team with the relevant expertise to address the request.

### **7.3: Development of an Interpretation**

As soon as practical, the Interpretation drafting team shall develop a draft Interpretation addressing the request, consistent with Section 7.1. Interpretations shall be developed in accordance with the following process:

- NERC Reliability Standards staff shall review the draft Interpretation to determine whether it has met the requirements for a valid Interpretation and to provide a recommendation to the Standards Committee whether to authorize posting or remand to the Interpretation drafting team for further work.
- The Standards Committee, after review of the Staff recommendation, may authorize posting of the draft Interpretation for comment and ballot.
- Interpretations shall be balloted in the same manner as Reliability Standards (*see* Section 4.0), with the following exceptions:
  - Interpretations shall be posted for a 30-day informal comment period. The Interpretation drafting team is not required to respond in writing to comments submitted during this comment period.
  - The NERC Reliability Standards Staff shall establish a ballot pool during the first 20 days of the 30-day informal comment period.
  - The ballot window shall take place during the last 10 calendar days of the 30-day informal comment period.
  - Final Ballots shall not be conducted for Interpretations. An Interpretation shall be deemed approved by the ballot pool following the first ballot in which the necessary quorum and sufficient affirmative votes are obtained.

If the ballot results indicate that there is not a consensus for the Interpretation, and the Interpretation drafting team cannot revise the Interpretation without violating the basic criteria for what constitutes a valid Interpretation (*see* Section 7.1), the Interpretation drafting team shall notify the Standards Committee of its conclusion and may submit a SAR with the proposed modification to the Reliability Standard. The entity that requested the Interpretation shall be notified in writing and the disposition of the Interpretation shall be posted.

If, during its deliberations, the Interpretation drafting team identifies a reliability-related deficiency in the Reliability Standard that is highlighted by the Interpretation request, the Interpretation drafting team shall notify the Standards Committee of its conclusion and may submit a SAR with its recommendation at the same time it provides its proposed Interpretation.

If approved by the ballot pool, NERC Staff shall review the final Interpretation to determine whether it has met the requirements for a valid Interpretation and shall make a recommendation to the NERC Board of Trustees regarding adoption.

If an Interpretation drafting team recommends a modification to a Reliability Standard as part of its work in developing an Interpretation, the Board of Trustees shall be notified of this recommendation at the time the Interpretation is submitted for adoption. Following Board of Trustees adoption, the Interpretation shall

## Process for Developing an Interpretation

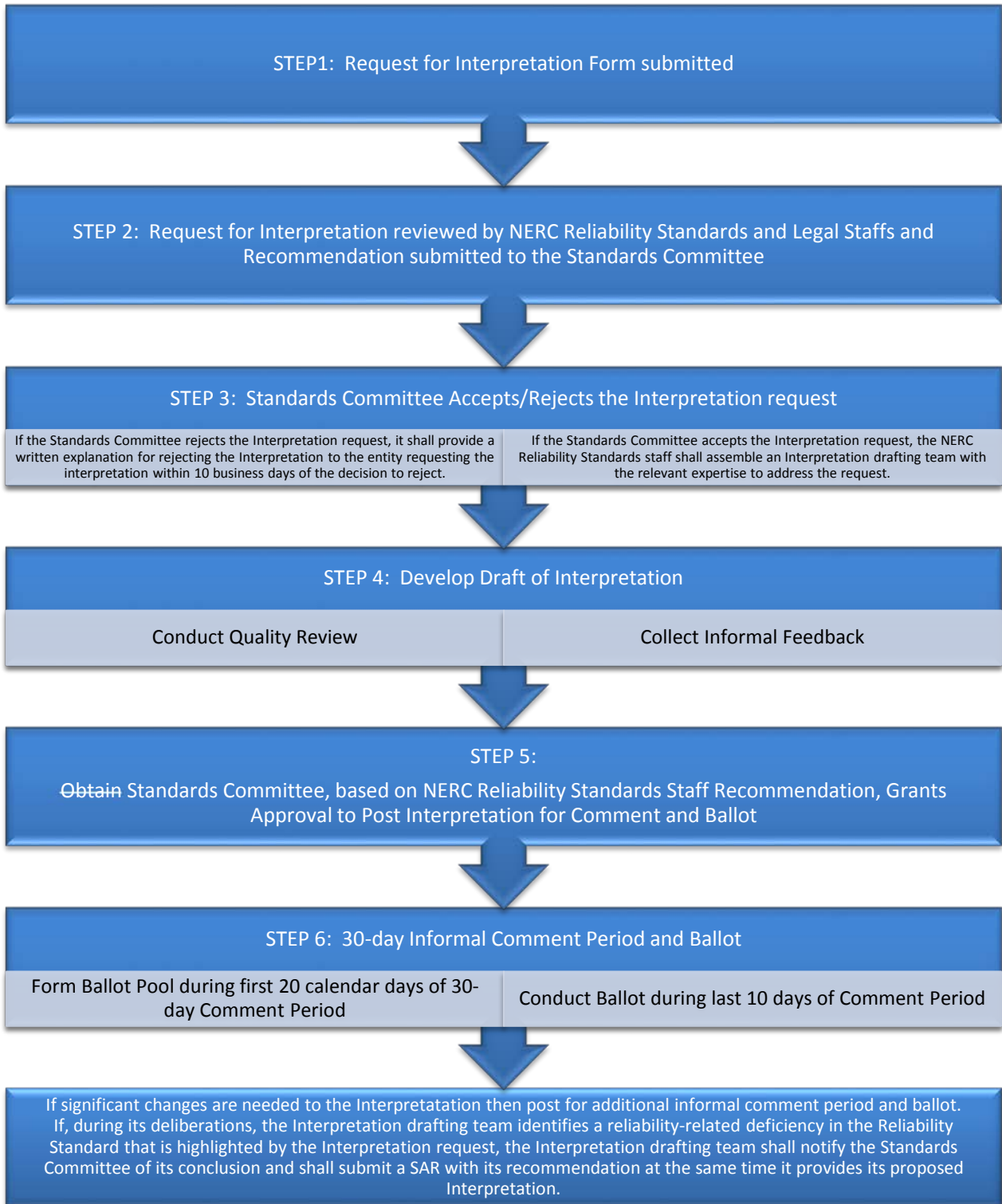
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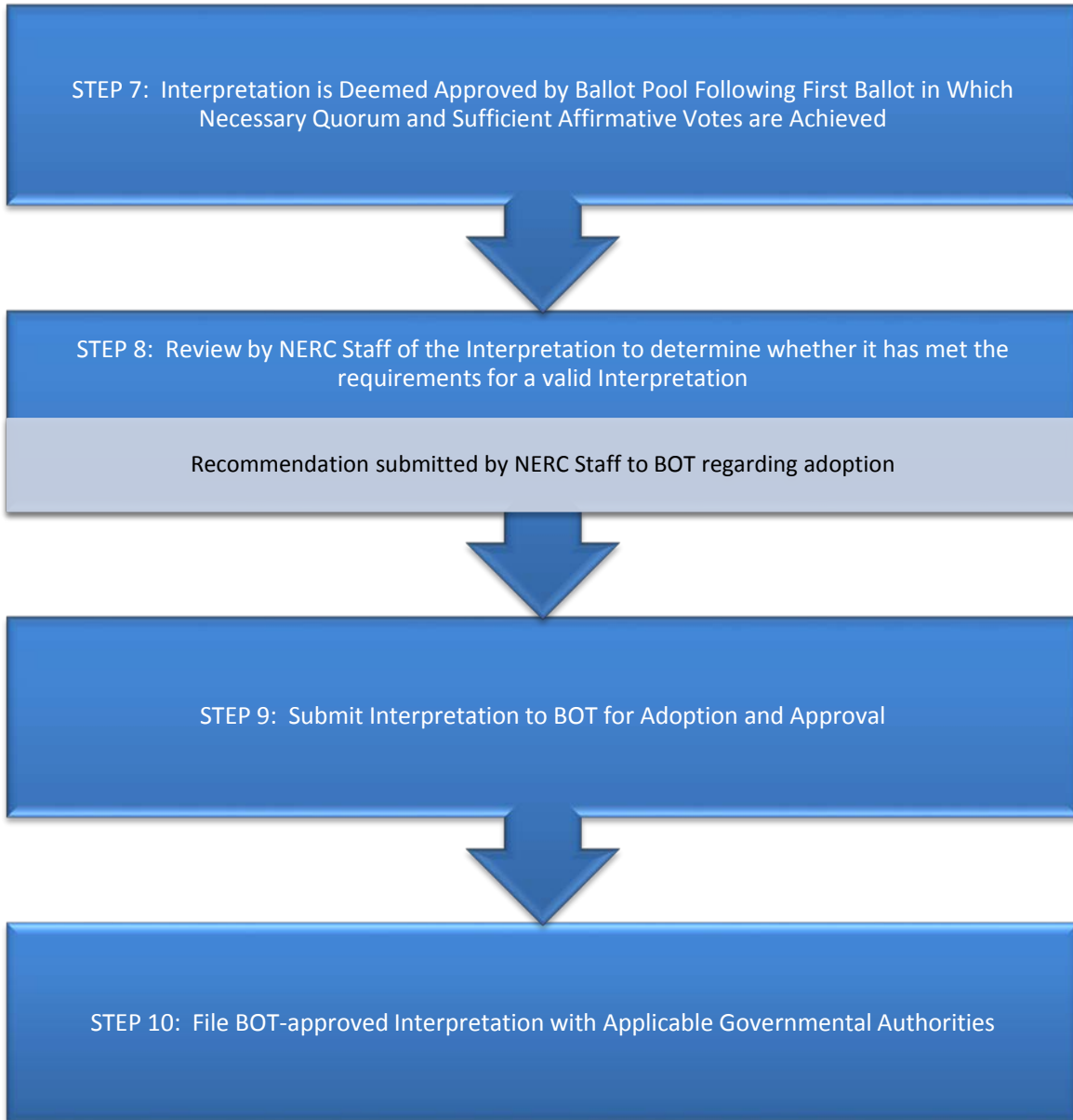
be filed with the Applicable Governmental Authorities, and the Interpretation shall become effective when approved by those Applicable Governmental Authorities.<sup>27</sup> The Interpretation shall stand until the Interpretation can be incorporated into a future revision of the Reliability Standard or the Interpretation is retired due to a future modification of the applicable Requirement.

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<sup>27</sup> NERC will maintain a record of all interpretations associated with each standard on the Reliability Standards page of the NERC website.

## Process for Developing an Interpretation





**FIGURE 2: Process for Developing an Interpretation**



## Section 8.0: Process for Appealing an Action or Inaction

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Any entity that has directly and materially affected interests and that has been or will be adversely affected by any procedural action or inaction related to the development, approval, revision, reaffirmation, retirement or withdrawal of a Reliability Standard, definition, Variance, associated implementation plan, or Interpretation shall have the right to appeal. This appeals process applies only to the NERC Reliability Standards processes as defined in this manual, not to the technical content of the Reliability Standards action.

The burden of proof to show adverse effect shall be on the appellant. Appeals shall be made in writing 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. 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.

### **8.1: Level 1 Appeal**

Level 1 is the required first step in the appeals process. The appellant shall submit (to the Director of Standards) a complaint in writing that describes the procedural action or inaction associated with the Reliability Standards process. The appellant shall describe in the complaint the actual or potential adverse impact to the appellant. Assisted by NERC Staff and industry resources as needed, the Director of Standards 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 shall be made a part of the public record associated with the Reliability Standard.

At any time prior to receiving the written response to the Level 1 Appeal, an appellant may withdraw the Level 1 Appeal with written notice to the Director of Standards.

### **8.2: 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 Director of Standards, the Director of Standards shall convene a Level 2 Appeals Panel. This panel shall consist of five members 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 NERC Reliability Standards Staff 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 entity that is directly and materially affected by the 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, definition, Variance or Interpretation or implementation plan as these responsibilities remain with the ballot pool and Board of Trustees respectively. The actions of the Level 2 Appeals Panel shall be publicly posted.

## Process for Appealing an Action or Inaction

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At any time prior to the meeting of the Level 2 Appeals Panel, an appellant may withdraw the Level 2 Appeal and accept the results of the Level 1 Appeal by providing written notice to the Director of Standards.

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, definition, Variance or Interpretation. The objection shall 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 shall be filed no later than 30 days after the announcement of the vote by the ballot pool on the Reliability Standard in question.

## Section 9.0: Process for Developing a Variance

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A Variance is an approved, alternative method of achieving the reliability intent of one or more Requirements in a Reliability Standard. No Regional Entity or Bulk Power System owner, operator, or user shall claim a Variance from a NERC Reliability Standard without approval of such a Variance through the relevant Reliability Standard approval procedure for the Variance. Each Variance from a NERC Reliability Standard that is approved by NERC and Applicable Governmental Authorities shall be made an enforceable part of the associated NERC Reliability Standard.

NERC's drafting teams shall aim to develop Reliability Standards with Requirements that apply on a continent-wide basis, minimizing the need for Variances while still achieving the Reliability Standard's reliability objectives. If one or more Requirements cannot be met or complied with as written because of a physical difference in the Bulk Power System or because of an operational difference (such as a conflict with a federally or provincially approved tariff), but the Requirement's reliability objective can be achieved in a different fashion, an entity or a group of entities may pursue a Variance from one or more Requirements in a continent-wide Reliability Standard. It is the responsibility of the entity that needs a Variance to identify that need and initiate the processing of that Variance through the submittal of a SAR<sup>28</sup> that includes a clear definition of the basis for the Variance.

There are two types of Variances – those that apply on an Interconnection-wide basis, and those that apply to one or more entities on less than an Interconnection-wide basis.

### 9.1: Interconnection-wide Variances

Any Variance from a NERC Reliability Standard Requirement that is proposed to apply to Registered Entities within a Regional Entity organized on an Interconnection-wide basis shall be considered an Interconnection-wide Variance and shall be developed through that Regional Entity's NERC-approved Regional Reliability Standards development procedure.

While an Interconnection-wide Variance may be developed through the associated Regional Reliability Standards development process, Regional Entities are encouraged to work collaboratively with existing continent-wide drafting teams to reduce potential conflicts between the two efforts.

An Interconnection-wide 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 associated NERC Reliability Standard. NERC shall rebuttably presume that an Interconnection-wide Variance from a NERC Reliability Standard that is developed, in accordance with a Regional Reliability Standards development 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.

### 9.2: Variances that Apply on Less than an Interconnection-wide Basis

Any Variance from a NERC Reliability Standard Requirement that is proposed to apply to one or more entities but less than an entire Interconnection (*e.g.*, 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 considered a Variance. A Variance may be requested while a Reliability Standard is under development or a Variance may be requested at any time after a Reliability Standard is approved. Each request for a

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<sup>28</sup> A sample of a SAR that identifies the need for a Variance and a sample Variance are posted as resources on the Reliability Standards Resources web page.

## Process for Developing a Variance

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Variance shall be initiated through a SAR, and processed and approved in the same manner as a continent-wide Reliability Standard, using the Reliability Standards development process defined in this manual.

## Section 10.0: Processes for Developing a Reliability Standard Related to a Confidential Issue

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While it is NERC’s intent to use its ANSI-accredited Reliability Standards development process for developing its Reliability Standards, NERC has an obligation as the ERO to ensure that there are Reliability Standards in place to preserve the reliability of the interconnected Bulk Power Systems throughout North America. When faced with a national security emergency situation, NERC may use one of the following special processes to develop a Reliability Standard that addresses an issue that is confidential. Reliability Standards developed using one of the following processes shall be called, “special Reliability Standards” and shall not be filed with ANSI for approval as American National Standards.

The NERC Board of Trustees may direct the development of a new or revised Reliability Standard to address a national security situation that involves confidential issues. These situations may involve imminent or long-term threats. In general, these Board directives will be driven by information from the President of the United States of America or the Prime Minister of Canada or a national security agency or national intelligence agency of either or both governments indicating (to the ERO) that there is a national security threat to the reliability of the Bulk Power System.<sup>29</sup>

There are two special processes for developing Reliability Standards responsive to confidential issues – one process where the confidential issue is “imminent,” and one process where the confidential issue is “not imminent.”

### **10.1: Process for Developing Reliability Standards Responsive to Imminent, Confidential Issues**

If the NERC Board of Trustees directs the immediate development of a new or revised Reliability Standard to address a confidential national security emergency situation, the NERC Reliability Standards Staff shall develop a SAR, form a ballot pool (to vote on the Reliability Standard and its implementation plan) and assemble a slate of pre-defined subject matter experts as a proposed drafting team for approval by the Standards Committee’s officers. All members of the Registered Ballot Body shall have the opportunity to join the ballot pool.

### **10.2: Drafting Team Selection**

The Reliability Standard drafting team selection process shall be limited to just those candidates who have already been identified as having the appropriate security clearance, the requisite technical expertise, and either have signed or are willing to sign a strict confidentiality agreement.

### **10.3: Work of Drafting Team**

The Reliability Standard drafting team shall perform all its work under strict security and confidentiality rules. The Reliability Standard drafting team shall develop the new or revised Reliability Standard and its implementation plan.

The Reliability Standard drafting team shall review its work, to the extent practical, as it is being developed with officials from the appropriate governmental agencies in the U.S. and Canada, under strict security and confidentiality rules.

### **10.4: Formal Stakeholder Comment & Ballot Window**

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<sup>29</sup> The NERC Board may direct the immediate development and issuance of a Level 3 (Essential Action) alert and then may also direct the immediate development of a new or revised Reliability Standard.

The draft Reliability Standard and its implementation plan shall be distributed for a formal comment period, under strict confidentiality rules, only to those entities that are listed in the NERC Compliance Registry to perform one of the functions identified in the applicability section of the Reliability Standard and have identified individuals from their organizations that have signed confidentiality agreements with NERC.<sup>30</sup> At the same time, the Reliability Standard shall be distributed to the members of the ballot pool for review and ballot. The NERC Reliability Standards Staff shall not post or provide the ballot pool with any confidential background information.

The drafting team, working with the NERC Reliability Standards Staff, shall consider and respond to all comments, make any necessary conforming changes to the Reliability Standard and its implementation plan, and shall distribute the comments, responses and any revision to the same population as received the initial set of documents for formal comment and ballot.

### **10.5: Board of Trustee Actions**

Each Reliability Standard and implementation plan developed through this process shall be submitted to the NERC Board of Trustees for adoption.

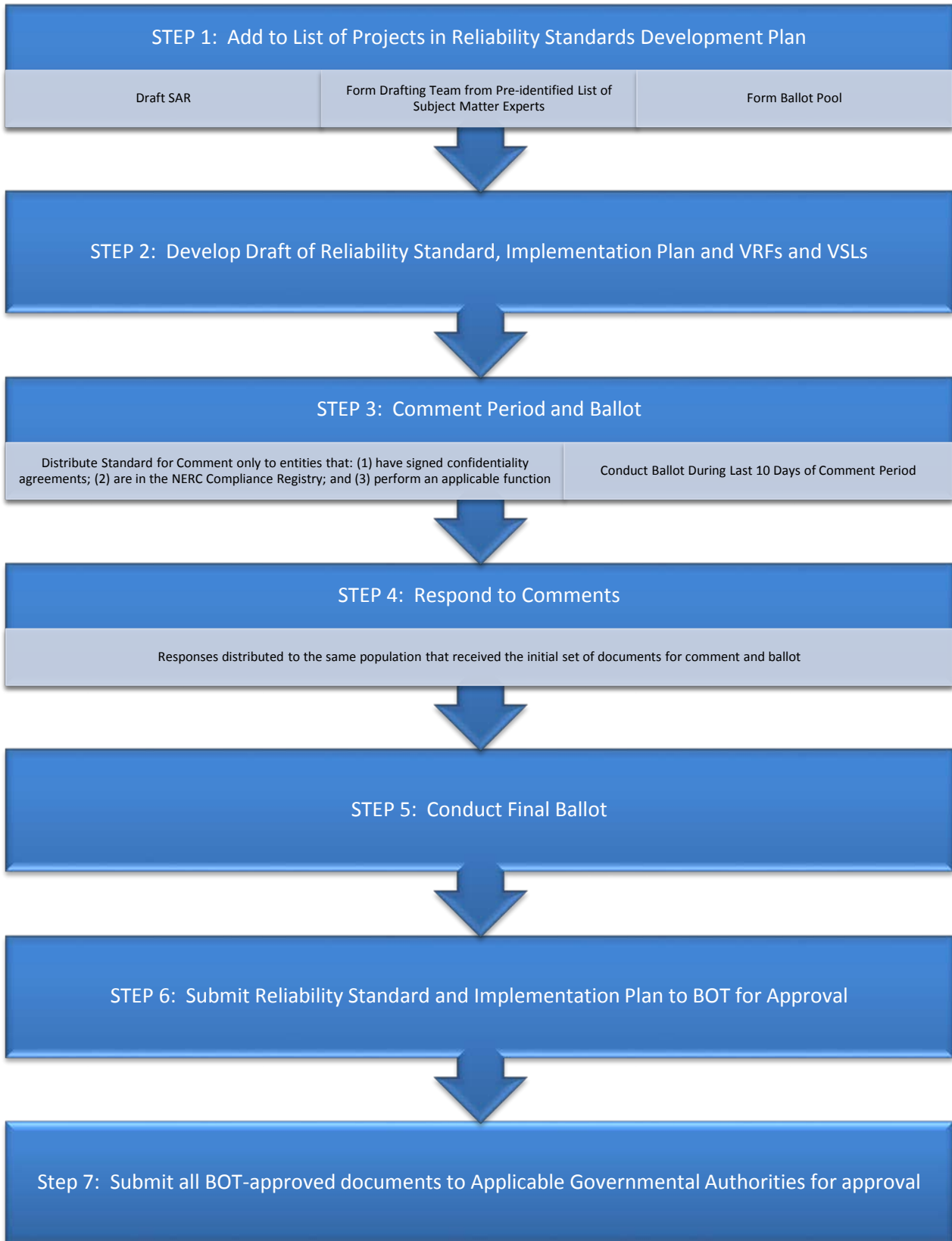
### **10.6: Governmental Approvals**

All approved documents shall be filed for approval with Applicable Governmental Authorities.

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<sup>30</sup> In this phase of the process, only the proposed Reliability Standard shall be distributed to those entities expected to comply, not the rationale and justification for the Reliability Standard. Only the special drafting team members, who have the appropriate security credentials, shall have access to this rationale and justification.

**10.7: Developing a Reliability Standard Responsive to an Imminent, Confidential Issue**



**FIGURE 3: Process for Developing a Standard Responsive to an Imminent, Confidential Issue**



### **10.8: Process for Developing Reliability Standards Responsive to Non-imminent, Confidential Issues**

If the NERC Board of Trustees directs the immediate development of a new or revised Reliability Standard to address a confidential national security emergency situation, the NERC Reliability Standards Staff shall develop a SAR, form a ballot pool (to vote on the Reliability Standard and its implementation plan) and assemble a slate of pre-defined subject matter experts as a proposed drafting team for approval by the Standards Committee's officers. All members of the Registered Ballot Body shall have the opportunity to join the ballot pool.

### **10.9: Drafting Team Selection**

The drafting team selection process shall be limited to just those candidates who have already been identified as having the appropriate security clearance, the requisite technical expertise, and either have signed or are willing to sign a strict confidentiality agreement.

### **10.10: Work of Drafting Team**

The drafting team shall perform all its work under strict security and confidential rules. The Reliability Standard drafting team shall develop the new or revised Reliability Standard and its implementation plan.

The drafting team shall review its work, to the extent practical, as it is being developed with officials from the Applicable Governmental Authorities, under strict security and confidentiality rules.

### **10.11: Formal Stakeholder Comment & Ballot Window**

The draft Reliability Standard and its implementation plan shall be distributed for a formal comment period, under strict confidentiality rules, only to those entities that are listed in the NERC Compliance Registry to perform one of the functions identified in the applicability section of the Reliability Standard and have identified individuals from their organizations that have signed confidentiality agreements with NERC.<sup>31</sup> At the same time, the Reliability Standard shall be distributed to the members of the ballot pool for review and ballot. The NERC Reliability Standards Staff shall not post or provide the ballot pool with any confidential background information.

### **10.12: Revisions to Reliability Standard, Implementation Plan and VRFs and VSLs**

The drafting team, working with the NERC Reliability Standards Staff, shall work to refine the Reliability Standard, implementation plan and VRFs and VSLs in the same manner as for a new Reliability Standard following the "normal" Reliability Standards development process described earlier in this manual with the exception that distribution of the comments, responses, and new drafts shall be limited to those entities that are in the ballot pool and those entities that are listed in the NERC Compliance Registry to perform one of the functions identified in the applicability section of the Reliability Standard and have identified individuals from their organizations that have signed confidentiality agreements with NERC.

### **10.13: Board of Trustee Action**

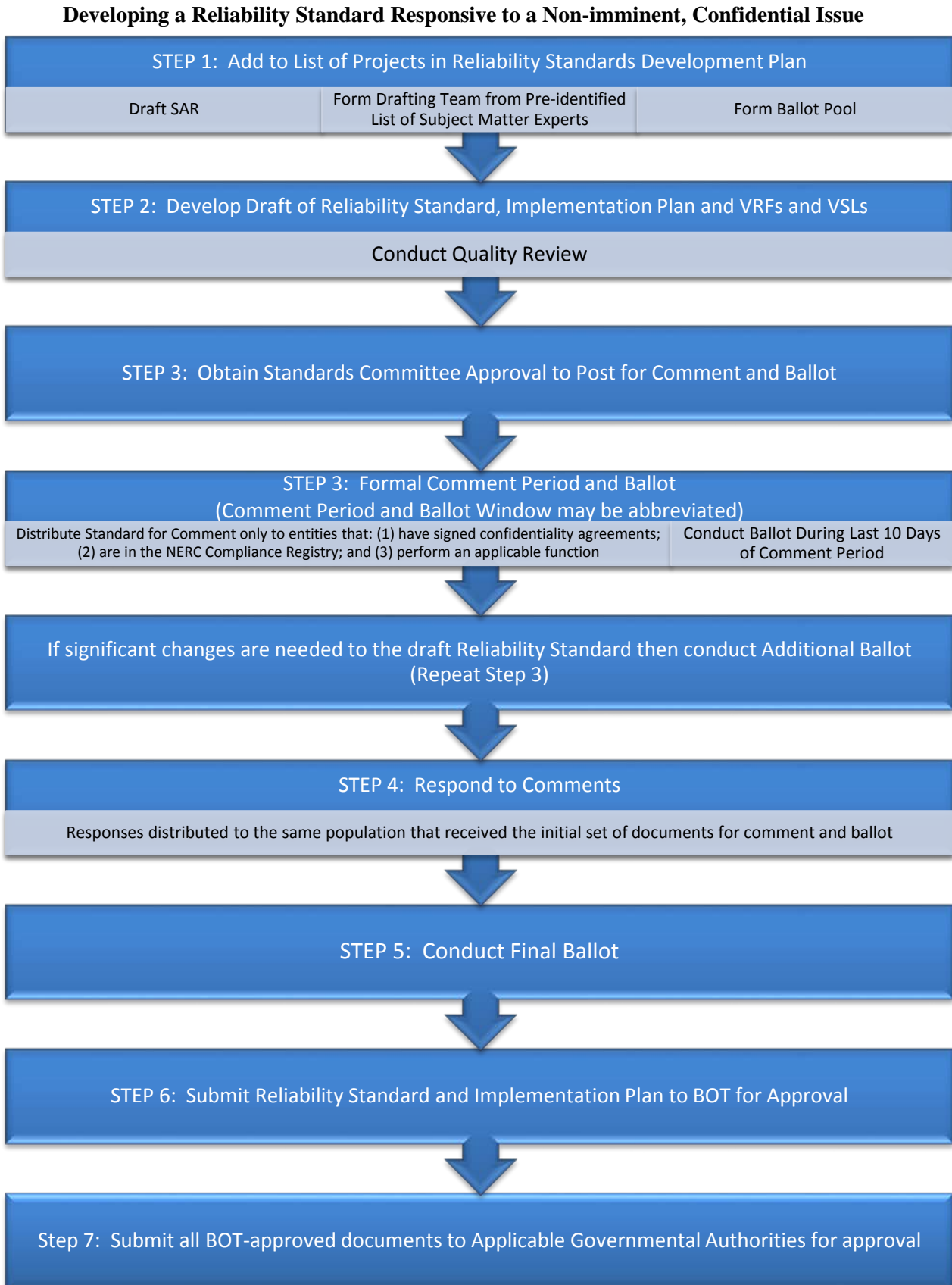
Each Reliability Standard, implementation plan, and the associated VRFs and VSLs developed through this process shall be submitted to the NERC Board of Trustees for adoption.

### **10.14: Governmental Approvals**

All BOT-approved documents shall be filed for approval with Applicable Governmental Authorities.

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<sup>31</sup> In this phase of the process, only the proposed Reliability Standard shall be distributed to those entities expected to comply, not the rationale and justification for the Reliability Standard. Only the special drafting team members, who have the appropriate security credentials, shall have access to this rationale and justification.



**FIGURE 4: Developing a Standard Responsive to a Non-Imminent, Confidential Issue**

## Section 11.0: Process for Approving Supporting Documents

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The NERC Standards Committee oversees the development and approval of documents identified as supporting documents to Reliability Standards approved by the Applicable Governmental Authority. Supporting documents may explain or facilitate understanding of Reliability Standards but do not themselves contain mandatory Requirements subject to compliance review. Any Requirements that are mandatory shall be incorporated into the Reliability Standard in the Reliability Standard development process.

This Section provides the mechanism by which any stakeholder may propose a supporting document to an approved Reliability Standard.

The process outlined in this section is designed so that each supporting document receives stakeholder review to verify the accuracy of the technical content prior to being posted as a supporting document to an approved Reliability Standard.

### 11.1: Types of Supporting Documents

The types of supporting documents that may be approved under this Section are listed below.

Type of Document	Description
Reference	Descriptive, technical information or analysis or explanatory information to support the understanding of an approved Reliability Standard.
Lessons Learned	Documents designed to convey lessons learned related to an approved Reliability Standard. A Lessons Learned document is not intended to establish new Requirements under NERC's Reliability Standards or to modify Requirements in any existing Reliability Standards.
White Paper	An informal paper stating a position or concept. A white paper may have been used to propose preliminary concepts for a Reliability Standard or a Reference document.

Supporting documents do not include documents that contain specific compliance approaches or examples of compliance. Such documents would be developed in accordance with the applicable NERC Compliance Monitoring and Enforcement Program process.

### 11.2: Process for Proposing and Evaluating Supporting Documents

Proposals for supporting documents to approved Reliability Standards shall be submitted to the NERC Reliability Standards Staff.

NERC Staff shall conduct a review of the proposed supporting document. In performing this review, NERC Staff may consult any technical resources it deems appropriate. The purpose of this review is to determine whether the proposed supporting document meets the following three criteria:

1. the document is a type of supporting document subject to this Section, as described in Section 11.1;
2. the document is consistent with the purpose and intent of the associated Reliability Standard;

- and
3. the document has received adequate stakeholder review to assess its technical adequacy, such as through a NERC technical committee review process, public comment period(s) held during the development of the associated Reliability Standard, or other stakeholder review process.

Where NERC Staff determines that the proposed supporting document has met the three criteria specified above, NERC Staff shall submit the proposed supporting document to the Standards Committee as specified in Section 11.3 below.

Where NERC Staff determines that the proposed supporting document does not meet the first or second criteria specified above, NERC Staff shall notify the submitter that the document will not be posted as a supporting document under this Section. This notification shall be made in writing with an explanation of the basis for the decision. NERC Staff shall also notify the Standards Committee of this determination at the next regularly scheduled Standards Committee meeting.

Where NERC Staff determines that the proposed supporting document meets the first and second criteria, but has not yet received adequate stakeholder review under the third criteria, NERC Staff shall make a recommendation to the Standards Committee to authorize the posting of the proposed supporting document for stakeholder review to verify the accuracy of the technical content. This comment period shall be for 30 days, unless directed otherwise by the Standards Committee. Upon conclusion of the comment period, NERC Staff shall compile the comments and provide to the submitter for consideration. If the submitter modifies the proposed supporting document based on stakeholder comments, NERC Staff may post the document for additional comment periods to provide for sufficient vetting and technical review.

### **11.3: Approving a Supporting Document**

Following its determination that the proposed supporting document has met the three criteria specified in Section 11.2, NERC Staff shall present the supporting document to the NERC Standards Committee with a recommendation regarding whether the Standards Committee should approve posting the supporting document with the approved Reliability Standard on the pertinent NERC website page(s).

## Section 12.0: Process for Correcting Errata

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From time to time, an error may be discovered in a Reliability Standard. Such errors may be corrected (i) following a Final Ballot prior to Board of Trustees adoption, (ii) following Board of Trustees adoption prior to filing with Applicable Governmental Authorities; and (iii) following filing with Applicable Governmental Authorities. If the Standards Committee agrees that the correction of the error does not change the scope or intent of the associated Reliability Standard, and agrees that the correction has no material impact on the end users of the Reliability Standard, then the correction shall be filed for approval with Applicable Governmental Authorities as appropriate. The NERC Board of Trustees has resolved to concurrently approve any errata approved by the Standards Committee.

## Section 13.0: Process for Conducting Periodic Reviews of Reliability Standards

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All Reliability Standards shall be reviewed at least once every ten years from the effective date of the Reliability Standard or the date of the latest Board of Trustees adoption to a revision of the Reliability Standard, whichever is later. If a Reliability Standard is approved by ANSI as an American National Standard, it shall be reviewed at least once every five years from the effective date of the Reliability Standard or the date of the latest Board of Trustees adoption to a revision of the Reliability Standard, whichever is later.

The *Reliability Standards Development Plan* shall include projects that address this five or ten-year review of Reliability Standards.

- If a Reliability Standard is nearing its five or ten-year review and has issues that need resolution, then the *Reliability Standards Development Plan* shall include a project for the complete review and associated revision of that Reliability Standard that includes addressing all outstanding governmental directives, all approved Interpretations, and all unresolved issues identified by stakeholders.
- If a Reliability Standard is nearing its five or ten-year review and there are no outstanding governmental directives, Interpretations, or unresolved stakeholder issues associated with that Reliability Standard, then the *Reliability Standards Development Plan* shall include a project solely for the “five-year review” of that Reliability Standard.

For a project that is focused solely on the five-year review, the Standards Committee shall appoint a review team of subject matter experts to review the Reliability Standard and recommend whether the American National Standard Institute-approved Reliability Standard should be reaffirmed, revised, or withdrawn. Each review team shall post its recommendations for a 45 calendar day formal stakeholder comment period and shall provide those stakeholder comments to the Standards Committee for consideration.

- If a review team recommends reaffirming a Reliability Standard, the Standards Committee shall submit the reaffirmation to the Board of Trustees for adoption and then to Applicable Governmental Authorities for approval. Reaffirmation does not require approval by stakeholder ballot.
- If a review team recommends modifying, or retiring a Reliability Standard, the team shall develop a SAR with such a proposal and the SAR shall be submitted to the Standards Committee for prioritization as a new project. Each existing Reliability Standard recommended for modification, or retirement shall remain in effect in accordance with the associated implementation plan until the action to modify or withdraw the Reliability Standard is approved by its ballot pool, adopted by the Board of Trustees, and approved by Applicable Governmental Authorities.

In the case of reaffirmation of a Reliability Standard, the Reliability Standard shall remain in effect until the next five or ten-year review or until the Reliability Standard is otherwise modified or withdrawn by a separate action.

## Section 14.0: Public Access to Reliability Standards Information

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### **14.1: Online Reliability Standards Information System**

The NERC Reliability Standards Staff shall maintain an electronic copy of information regarding currently proposed and currently in effect Reliability Standards. This information shall include current Reliability Standards in effect, proposed revisions to Reliability Standards, and proposed new Reliability 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.

### **14.2: Archived Reliability Standards Information**

The NERC Staff shall maintain a historical record of Reliability Standards information that is no longer maintained online. 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 Reliability Standard was no longer in effect. Archived records of Reliability Standards information shall be available electronically within 30 days following the receipt by the NERC Reliability Standards Staff of a written request.



## Section 15.0: Process for Updating Standard Processes

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### **15.1: Requests to Revise the Standard Processes Manual**

Any person or entity may submit a request to modify one or more of the processes contained within this manual. The Standards Committee shall oversee the handling of each request. The Standards Committee shall prioritize all requests, merge related requests, and respond to each sponsor within 30 calendar days.

The Standards Committee shall post the proposed revisions for a 45 (calendar) day formal comment period. Based on the degree of consensus for the revisions, the Standards Committee shall:

- a. Submit the revised process or processes for ballot pool approval;
- b. Repeat the posting for additional inputs after making changes based on comments received;
- c. Remand the proposal to the sponsor 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 Reliability Standard, including the use of an Additional 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 submit to the Board a description of the basis for the changes, a summary of the comments received, and any minority views expressed in the comment and ballot process. The proposed revisions shall not be effective until approved by the NERC Board of Trustees and Applicable Governmental Authorities.

## Section 16.0: Waiver

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While it is NERC's intent to use its ANSI-accredited Reliability Standards development process for developing its Reliability Standards, NERC may need to develop a new or modified Reliability Standard, definition, Variance, or implementation plan under specific time constraints (such as to meet a time constrained regulatory directive) or to meet an urgent reliability issue such that there isn't sufficient time to follow all the steps in the normal Reliability Standards development process.

The Standards Committee may waive any of the provisions contained in this manual for good cause shown, but limited to the following circumstances:

- In response to a national emergency declared by the United States or Canadian government that involves the reliability of the Bulk Electric System or cyber attack on the Bulk Electric System;
- Where necessary to meet regulatory deadlines;
- Where necessary to meet deadlines imposed by the NERC Board of Trustees; or
- Where the Standards Committee determines that a modification to a proposed Reliability Standard or its Requirement(s), a modification to a defined term, a modification to an interpretation, or a modification to a variance has already been vetted by the industry through the standards development process or is so insubstantial that developing the modification through the processes contained in this manual will add significant time delay.

In no circumstances shall this provision be used to modify the requirements for achieving quorum or the voting requirements for approval of a standard.

A waiver request may be submitted to the Standards Committee by any entity or individual, including NERC committees or subgroups and NERC Staff. Prior to consideration of any waiver request, the Standards Committee must provide five business days notice to stakeholders.

Action on the waiver request will be included in the minutes of the Standards Committee. Following the approval of the Standards Committee to waive any provision of the Standard Process Manual, the Standards Committee will report this decision to the Standards Oversight and Technology Committee.<sup>32</sup> Actions taken pursuant to an approved waiver request will be posted on the Standard Project page and included in the next project announcement.

In addition, the Standards Committee shall report the exercise of this waiver provision to the Board of Trustees prior to adoption of the related Reliability Standard, Interpretation, definition or Variance.

Reliability Standards developed as a result of a waiver of any provision of the Standard Processes Manual shall not be filed with ANSI for approval as American National Standards.

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<sup>32</sup> Any entity may appeal a waiver decision or any other procedural decision by the Standards Committee pursuant to Section 8.0 of the NERC Standard Processes Manual.

# NERC

NORTH AMERICAN ELECTRIC  
RELIABILITY CORPORATION

## Standard Processes Manual

VERSION 34

Effective: June 26, 2013TBD

to ensure  
the reliability of the  
bulk power system

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## Section 1.0: Introduction

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### 1.1: Authority

This manual 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 manual with Applicable Governmental Authorities for approval as an ERO document. When approved, the manual is appended to and provides implementation detail in support of the ERO Rules of Procedure Section 300 — Reliability Standards Development.

Capitalized terms not otherwise defined herein, shall have the meaning set forth in the Definitions Used in the Rules of Procedure, Appendix 2 to the Rules of Procedure.

### 1.2: Scope

The policies and procedures in this manual shall govern the activities of the North American Electric Reliability Corporation ("NERC") related to the development, approval, revision, reaffirmation, and withdrawal of Reliability Standards, Interpretations, Violation Risk Factors ("VRFs"), Violation Severity Levels ("VSLs"), definitions, Variances, and reference documents developed to support standards for the Reliable Operation and planning of the North American Bulk Power Systems.

This manual also addresses the role of the Standards Committee, drafting team and ballot body in the development and approval of Compliance Elements in conjunction with standard development.

### 1.3: Background

NERC is a nonprofit corporation formed for the purpose of becoming the North American ERO. NERC works with all stakeholder segments of the electric industry, including electricity users, to develop Reliability Standards for the reliability planning and Reliable Operation of the North American Bulk Power Systems. 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 Reliability 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 ERO effective July 2006. *North American Electric Reliability Corp.*, 116 FERC ¶ 61,062, *order on reh'g and compliance*, 117 FERC ¶ 61,126 (2006), *order on compliance*, 118 FERC ¶ 61,030 (2007).

### 1.4: Essential Attributes of NERC's Reliability Standards Processes

NERC's Reliability Standards development processes provide reasonable notice and opportunity for public comment, due process, openness, and balance of interests in developing a proposed Reliability Standard consistent with the attributes necessary for American National Standards Institute ("ANSI") accreditation. The same attributes, as well as transparency, consensus-building, and timeliness, are also required under the ERO Rules of Procedure Section 304.

- ***Open Participation***

Participation in NERC's Reliability Standards development balloting and approval processes shall be open to all entities materially affected by NERC's Reliability Standards. There shall be no financial barriers to participation in NERC's Reliability Standards balloting and approval processes. Membership in the Registered Ballot Body shall not be conditional upon membership in any organization, nor unreasonably restricted on the basis of technical qualifications or other such requirements.

- ***Balance***

NERC's Reliability Standards development processes shall not be dominated by any two interest categories, individuals, or organizations and no single interest category, individual, or organization is able to defeat a matter.

NERC shall use a voting formula that allocates each industry Segment an equal weight in determining the final outcome of any Reliability Standard action. The Reliability Standards development processes shall have a balance of interests. Participants from diverse interest categories shall be encouraged to join the Registered Ballot Body and participate in the balloting process, with a goal of achieving balance between the interest categories. The Registered Ballot Body serves as the consensus body voting to approve each new or proposed Reliability Standard, definition, Variance, and Interpretation.

- ***Coordination and harmonization with other American National Standards activities***

NERC is committed to resolving any potential conflicts between its Reliability Standards development efforts and existing American National Standards and candidate American National Standards.

- ***Notification of standards development***

NERC shall publicly distribute a notice to each member of the Registered Ballot Body, and to each stakeholder who indicates a desire to receive such notices, for each action to create, revise, reaffirm, or withdraw a Reliability Standard, definition, or Variance; and for each proposed Interpretation. Notices shall be distributed electronically, with links to the relevant information, and notices shall be posted on NERC's Reliability Standards web page. All notices shall identify a readily available source for further information.

- ***Transparency***

The process shall be transparent to the public.

- ***Consideration of views and objections***

Drafting teams shall give prompt consideration to the written views and objections of all participants as set forth herein. Drafting teams shall make an effort to resolve each objection that is related to the topic under review.

- ***Consensus Building***

The process shall build and document consensus for each Reliability Standard, both with regard to the need and justification for the Reliability Standard and the content of the Reliability Standard.

- ***Consensus vote***

NERC shall use its voting process to determine if there is sufficient consensus to approve a proposed Reliability Standard, definition, Variance, or Interpretation. NERC shall form a ballot pool for each Reliability Standard action from interested members of its Registered Ballot Body. Approval of any Reliability Standard action requires:

- A quorum, which is established by at least 75% of the members of the ballot pool submitting a response excluding unreturned ballots; and
- A two-thirds majority of the weighted Segment votes cast shall be affirmative. The number of votes cast during all stages of balloting except the final ballot is the sum of affirmative and negative votes with comments, excluding abstentions, non-responses, and negative votes without comments. During the final ballot, the number of votes cast is the sum of affirmative and negative votes, excluding abstentions and non-responses.

- ***Timeliness***  
Development of Reliability Standards shall be timely and responsive to new and changing priorities for reliability of the Bulk Power System.
- ***Metric Policy***  
The International System of units is the preferred units of measurement in NERC Reliability Standard. However, because NERC's Reliability Standards apply in Canada, the United States and portions of Mexico, where applicable, measures are provided in both the metric and English units.

### **1.5: Ethical Participation**

All participants in the NERC Standard development process, including drafting teams, quality reviewers, Standards Committee members and members of the Registered Ballot Body, are obligated to act in an ethical manner in the exercise of all activities conducted pursuant to the terms and conditions of the Standard Processes Manual and the standard development process.

## Section 2.0: Elements of a Reliability Standard

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### 2.1: Definition of a Reliability Standard

A Reliability Standard includes a set of Requirements that define specific obligations of owners, operators, and users of the North American Bulk Power Systems. The Requirements shall be material to reliability and measurable. A Reliability Standard is defined as follows:

“Reliability Standard” means a requirement, approved by the United States Federal Energy Regulatory Commission under Section 215 of the Federal Power Act, or approved or recognized by an applicable governmental authority in other jurisdictions, to provide for Reliable Operation of the Bulk Power System, ~~including without limiting the foregoing,~~ The term includes requirements for the operation of existing Bulk Power System ~~Facilities~~ facilities, including cyber-security protection, and ~~including~~ the design of planned additions or modifications to such ~~Facilities~~ facilities to the extent necessary for Reliable Operation of the Bulk Power System, but the term does not include any requirement to enlarge ~~Bulk Power Systems~~ such ~~Facilities~~ facilities or to construct new transmission capacity or generation capacity. (In certain contexts, this term may also refer to a “Reliability Standard” that is in the process of being developed, or not yet approved or recognized by FERC or an applicable governmental authority in other jurisdictions). ~~A Reliability Standard shall not be effective in the United States until approved by the Federal Energy Regulatory Commission and shall not be effective in other jurisdictions until made or allowed to become effective by the Applicable Governmental Authority.~~ *See Appendix 2 to the NERC Rules of Procedure, Definitions Used in the Rules of Procedure.*

### 2.2: Reliability Principles

NERC Reliability Standards are based on certain reliability principles that define the foundation of reliability for North American Bulk Power Systems.<sup>1</sup> Each Reliability Standard shall enable or support one or more of the reliability principles, thereby ensuring that each Reliability 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 Reliability Standard undermines reliability through an unintended consequence.

### 2.3: Market 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.<sup>2</sup> 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.

### 2.4: Types of Reliability Requirements

Generally, each Requirement of a Reliability Standard shall identify what Functional Entities shall do, and under what conditions, to achieve a specific reliability objective. Although Reliability Standards all follow this format, several types of Requirements may exist, each with a different approach to measurement.

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<sup>1</sup> The intent of the set of NERC Reliability Standards is to deliver an adequate level of reliability. The latest set of reliability principles and the latest set of characteristics associated with an adequate level of reliability are posted on the Reliability Standards Resources web page.

<sup>2</sup> The latest set of market interface principles is posted on the Reliability Standards Resources web page.



- **Performance-based Requirements** define a specific reliability objective or outcome achieved by one or more entities that has a direct, observable effect on the reliability of the Bulk Power System, *i.e.* an effect that can be measured using power system data or trends. In its simplest form, a performance-based requirement has four components: *who, under what conditions (if any), shall perform what action, to achieve what particular result or outcome.*
- **Risk-based Requirements** define actions by one or more entities that reduce a stated risk to the reliability of the Bulk Power System and can be measured by evaluating a particular product or outcome resulting from the required actions. A risk-based reliability requirement should be framed as: *who, under what conditions (if any), shall perform what action, to achieve what particular result or outcome that reduces a stated risk to the reliability of the Bulk Power System.*
- **Capability-based Requirements** define capabilities needed by one or more entities to perform reliability functions and can be measured by demonstrating that the capability exists as required. A capability-based reliability requirement should be framed as: *who, under what conditions (if any), shall have what capability, to achieve what particular result or outcome to perform an action to achieve a result or outcome or to reduce a risk to the reliability of the Bulk Power System.*

The body of reliability Requirements collectively provides a defense-in-depth strategy supporting reliability of the Bulk Power System.

### 2.5: Elements of a Reliability Standard

A Reliability Standard includes several components designed to work collectively to identify what entities must do to meet their reliability-related obligations as an owner, operator or user of the Bulk Power System.

The components of a Reliability Standard may include the following:

**Title:** A brief, descriptive phrase identifying the topic of the Reliability Standard.

**Number:** A unique identification number assigned in accordance with a published classification system to facilitate tracking and reference to the Reliability Standards.<sup>3</sup>

**Purpose:** The reliability outcome achieved through compliance with the Requirements of the Reliability Standard.

**Applicability:** Identifies which entities are assigned reliability requirements. The specific Functional Entities and Facilities to which the Reliability Standard applies.

**Effective Dates:** Identification of the date or pre-conditions determining when each Requirement becomes effective in each jurisdiction.

**Requirement:** An explicit statement that identifies the Functional Entity responsible, the action or outcome that must be achieved, any conditions achieving the action or outcome, and the reliability-related benefit of the action or outcome. Each Requirement shall be a statement for which compliance is mandatory.

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<sup>3</sup> Reliability Standards shall be numbered in accordance with the NERC Standards Numbering Convention as provide on the Reliability Standards Resources web page.

**Compliance Elements:** Elements to aid in the administration of ERO compliance monitoring and enforcement responsibilities.<sup>4</sup>

- **Measure:** Provides identification of the evidence or types of evidence that may demonstrate compliance with the associated requirement.
- **Violation Risk Factors and Violation Severity Levels:** Violation risk factors (VRFs) and violation severity levels (VSLs) are used as factors when determining the size of a penalty or sanction associated with the violation of a requirement in an approved reliability standard.<sup>5</sup> Each requirement in each reliability standard has an associated VRF and a set of VSLs. VRFs and VSLs are developed by the drafting team, working with NERC Staff, at the same time as the associated reliability standard, but are not part of the reliability standard. The Board of Trustees is responsible for approving VRFs and VSLs.
  - **Violation Risk Factors**  
VRFs identify the potential reliability significance of noncompliance with each requirement. Each requirement is assigned a VRF in accordance with the latest approved set of VRF criteria.<sup>6</sup>
  - **Violation Severity Levels**  
VSLs define the degree to which compliance with a requirement was not achieved. Each requirement shall have at least one VSL. While it is preferable to have four VSLs for each requirement, some requirements do not have multiple “degrees” of noncompliant performance and may have only one, two, or three VSLs. Each requirement is assigned one or more VSLs in accordance with the latest approved set of VSL criteria.<sup>7</sup>

**Version History:** The version history is provided for informational purposes and lists information regarding prior versions of Reliability Standards.

**Variance:** A Requirement (to be applied in the place of the continent-wide Requirement) that is applicable to a specific geographic area or to a specific set of Registered Entities.

**Compliance Enforcement Authority:** The entity that is responsible for assessing performance or outcomes to determine if an entity is compliant with the associated Reliability Standard. The Compliance Enforcement Authority will be NERC or the Regional Entity in their respective roles of monitoring and enforcing compliance with the NERC Reliability Standards.

**Application guidelines:** Guidelines to support the implementation of the associated Reliability Standard.

**Procedures:** Procedures to support implementation of the associated Reliability Standard.

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<sup>4</sup> It is the responsibility of the ERO staff to develop compliance tools for each standard; these tools are not part of the standard but are referenced in this manual because the preferred approach to developing these tools is to use a transparent process that leverages the technical and practical expertise of the drafting team and ballot pool..

<sup>5</sup> The *Sanction Guidelines of the North American Electric Reliability Corporation* identifies the factors used to determine a penalty or sanction for violation of reliability standard and is posted on the NERC Web Site.

<sup>6</sup> The latest set of approved VRF Criteria is posted on the Reliability Standards Resources Web Page.

<sup>7</sup> The latest set of approved VSL Criteria is posted on the Reliability Standards Resources Web Page.

## Elements of a Reliability Standard

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The only mandatory and enforceable components of a Reliability Standard are the: (1) applicability, (2) Requirements, and the (3) effective dates. The additional components are included in the Reliability Standard for informational purposes, to establish the relevant scope and technical paradigm, and to provide guidance to Functional Entities concerning how compliance will be assessed by the Compliance Enforcement Authority.

## Section 3.0: Reliability Standards Program Organization

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### 3.1: Board of Trustees

The NERC Board of Trustees shall consider for adoption Reliability Standards, definitions, Variances and Interpretations and associated implementation plans that have been processed according to the processes identified in this manual. Once the Board adopts a Reliability Standard, definition, Variance or Interpretation, the Board shall direct NERC Staff to file the document(s) for approval with Applicable Governmental Authorities.

### 3.2: Registered Ballot Body

The Registered Ballot Body comprises all entities or individuals that qualify for one of the Segments approved by the Board of Trustees<sup>8</sup>, and are registered with NERC as potential ballot participants in the voting on Reliability Standards. Each member of the Registered Ballot Body is eligible to join the ballot pool for each Reliability Standard action.

### 3.3: Ballot Pool

Each Reliability 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 request to participate in that particular Reliability Standard action. The ballot pool votes on each Reliability Standards action. The ballot pool remains in place until all balloting related to that Reliability Standard action has been completed.

### 3.4: Standards Committee

The Standards Committee serves at the pleasure and direction of the NERC Board of Trustees, and the Board approves the Standards Committee's Charter.<sup>9</sup> Standards Committee members are elected by their respective Segment's stakeholders. The Standards Committee consists of two members of each of the Segments in the Registered Ballot Body.<sup>10</sup> A member of the NERC Reliability Standards Staff shall serve as the non-voting secretary to the Standards Committee.

The Standards Committee is responsible for managing the Reliability Standards processes for development of Reliability Standards, definitions, Variances and Interpretations in accordance with this manual. The responsibilities of the Standards Committee are defined in detail in the Standards Committee's Charter. The Standards Committee is responsible for ensuring that the Reliability Standards, definitions, Variances and Interpretations developed by drafting teams are developed in accordance with the processes in this manual and meet NERC's benchmarks for Reliability Standards as well as criteria for governmental approval.<sup>11</sup>

The Standards Committee has the right to remand work to a drafting team, to reject the work of a drafting team, or to accept the work of a drafting team. The Standards Committee may disband a drafting team if it determines (a) that the drafting team is not producing a standard in a timely manner; (b) the drafting team

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<sup>8</sup> The industry Segment qualifications are described in the Development of the Registered Ballot Body and Segment Qualification Guidelines document posted on the Reliability Standards Resources web page and are included in Appendix 3D of the NERC Rules of Procedure.

<sup>9</sup> The Standards Committee Charter is posted on the Reliability Standards Resources web page.

<sup>10</sup> In addition to balanced 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.

<sup>11</sup> The Ten Benchmarks of an Excellent Reliability Standard and FERC's Criteria for Approving Reliability Standards are posted on the Reliability Standards Resources web page.

is not able to produce a standard that will achieve industry consensus; (c) the drafting team has not addressed the scope of the SAR; or (d) the drafting team has failed to fully address a regulatory directive or otherwise provided a responsive or equally efficient and effective alternative. The Standards Committee may direct a drafting team to revise its work to follow the processes in this manual or to meet the criteria for NERC's benchmarks for Reliability Standards, or to meet the criteria for governmental approval; however, the Standards Committee shall not direct a drafting team to change the technical content of a draft Reliability Standard.

The Standards Committee shall meet at regularly scheduled intervals (either in person, or by other means). All Standards Committee meetings are open to all interested parties.

### **3.5: NERC Reliability Standards Staff**

The NERC Reliability Standards Staff, led by the Director of Standards, is responsible for administering NERC's Reliability Standards processes in accordance with this manual. The NERC Reliability Standards Staff provides support to the Standards Committee in managing the Reliability Standards processes and in supporting the work of all drafting teams. The NERC Reliability Standards Staff works to ensure the integrity of the Reliability Standards processes and consistency of quality and completeness of the Reliability Standards. The NERC Reliability Standards Staff facilitates all steps in the development of Reliability Standards, definitions, Variances, Interpretations and associated implementation plans.

The NERC Reliability Standards Staff is responsible for presenting Reliability Standards, definitions, Variances, and Interpretations to the NERC Board of Trustees for adoption. When presenting Reliability Standards-related documents to the NERC Board of Trustees for adoption or approval, the NERC Reliability Standards Staff shall report the results of the associated stakeholder ballot, including identification of unresolved stakeholder objections and an assessment of the document's practicality and enforceability.

### **3.6: Drafting Teams**

The Standards Committee shall appoint industry experts to drafting teams to work with stakeholders in developing and refining Standard Authorization Requests ("SARs"), Reliability Standards, definitions, and Variances. The NERC Reliability Standards Staff shall appoint drafting teams that develop Interpretations. The NERC Reliability Standards Staff shall provide, or solicit from the industry, essential support for each of the drafting teams in the form of technical writers, legal, compliance, and rigorous and highly trained project management and facilitation support personnel.

Each drafting team may consist of a group of technical, legal, and compliance experts that work cooperatively with the support of the NERC Reliability Standards Staff.<sup>12</sup> The technical experts provide the subject matter expertise and guide the development of the technical aspects of the Reliability Standard, assisted by technical writers, legal and compliance experts. The technical experts maintain authority over the technical details of the Reliability Standard. Each drafting team appointed to develop a Reliability Standard is responsible for following the processes identified in this manual as well as procedures developed by the Standards Committee from the inception of the assigned project through the final acceptance of that project by Applicable Governmental Authorities.

Collectively, each drafting team:

- Drafts proposed language for the Reliability Standards, definitions, Variances, and/or Interpretations and associated implementation plans.

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<sup>12</sup> The detailed responsibilities of drafting teams are outlined in the Drafting Team Guidelines, which is posted on the Reliability Standards Resources web page.

- Develops and refines technical documents that aid in the understanding of Reliability Standards.
- Works collaboratively with NERC Compliance Monitoring and Enforcement Staff to develop Reliability Standard Audit Worksheets (“RSAWs”) at the same time Reliability Standards are developed.
- Provides assistance to NERC Staff in the development of Compliance Elements of proposed Reliability Standards.
- Solicits, considers, and responds to comments related to the specific Reliability Standards development project.
- Participates in industry forums to help build consensus on the draft Reliability Standards, definitions, Variances, and/or Interpretations and associated implementation plans.
- Assists in developing the documentation used to obtain governmental approval of the Reliability Standards, definitions, Variances, and/or Interpretations and associated implementation plans.

All drafting teams report to the Standards Committee.

### **3.7: Governmental Authorities**

The Federal Energy Regulatory Commission (“FERC”) in the United States of America, and where permissible by statute or regulation, the federal or provincial governments of other North American jurisdictions that have recognized NERC as the ERO each of the eight Canadian Provinces (Manitoba, Nova Scotia, Saskatchewan, Alberta, Ontario, British Columbia, New Brunswick and Quebec) and the National Energy Board of Canada have the authority to approve each new, revised or withdrawn Reliability Standard, definition, Variance, VRF, VSL and Interpretation following adoption or approval by the NERC Board of Trustees.

### **3.8: Committees, Subcommittees, Working Groups, and Task Forces**

NERC’s technical committees, subcommittees, working groups, and task forces provide technical research and analysis used to justify the development of new Reliability Standards and provide guidance, when requested by the Standards Committee, in overseeing field tests or collection and analysis of data. The technical committees, subcommittees, working groups, and task forces provide feedback to drafting teams during both informal and formal comment periods.

The Standards Committee may request that a NERC technical committee or other group prepare a Technical document to support development of a proposed Reliability Standard.

The technical committees, subcommittees, working groups, and task forces share their observations regarding the need for new or modified Reliability Standards or Requirements with the NERC Reliability Standards Staff for use in identifying the need for new Reliability Standards projects for the three-year *Reliability Standards Development Plan*.

### **3.9: Compliance and Certification Committee**

The Compliance and Certification Committee is responsible for monitoring NERC’s compliance with its Reliability Standards processes and procedures and for monitoring NERC’s compliance with the Rules of Procedure regarding the development of new or revised Reliability Standards, definitions, Variances, and Interpretations. The Compliance and Certification Committee may assist in verifying that each proposed Reliability Standard is enforceable as written before the Reliability Standard is posted for formal stakeholder comment and balloting.

### **3.10: Compliance Monitoring and Enforcement Program**

As applicable, the NERC Compliance Monitoring and Enforcement Program Staff manages and enforces compliance with approved Reliability Standards. Compliance Monitoring and Enforcement Staff are responsible for the development of select compliance tools. The drafting team and the Compliance Monitoring and Enforcement Program Staff shall work together during the Reliability Standard development process to ensure an accurate and consistent understanding of the Requirements and their intent, and to ensure that applicable compliance tools accurately reflect that intent. The goal of this collaboration is to ensure that application of the Reliability Standards in the Compliance Monitoring and Enforcement Program by NERC and the Regional Entities is consistent.

The Compliance Monitoring and Enforcement Program is encouraged to share its observations regarding the need for new or modified Requirements with the NERC Reliability Standards Staff for use in identifying the need for new Reliability Standards projects.

### **3.11: North American Energy Standards Board (“NAESB”)**

While NERC has responsibility for developing Reliability Standards to support reliability, NAESB has responsibility for developing business practices and coordination between reliability and business practices as needed. NERC and NAESB developed and approved a procedure<sup>13</sup> to guide the development of Reliability Standards and business practices where the reliability and business practice components are intricately entwined within a proposed Reliability Standard.

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<sup>13</sup> The NERC NAESB Template Procedure for Joint Standards Development and Coordination is posted on the Reliability Standards Resources web page.

## Section 4.0: Process for Developing, Modifying, Withdrawing or Retiring a Reliability Standard

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There are several steps to the development, modification, withdrawal or retirement of a Reliability Standard.<sup>14</sup>

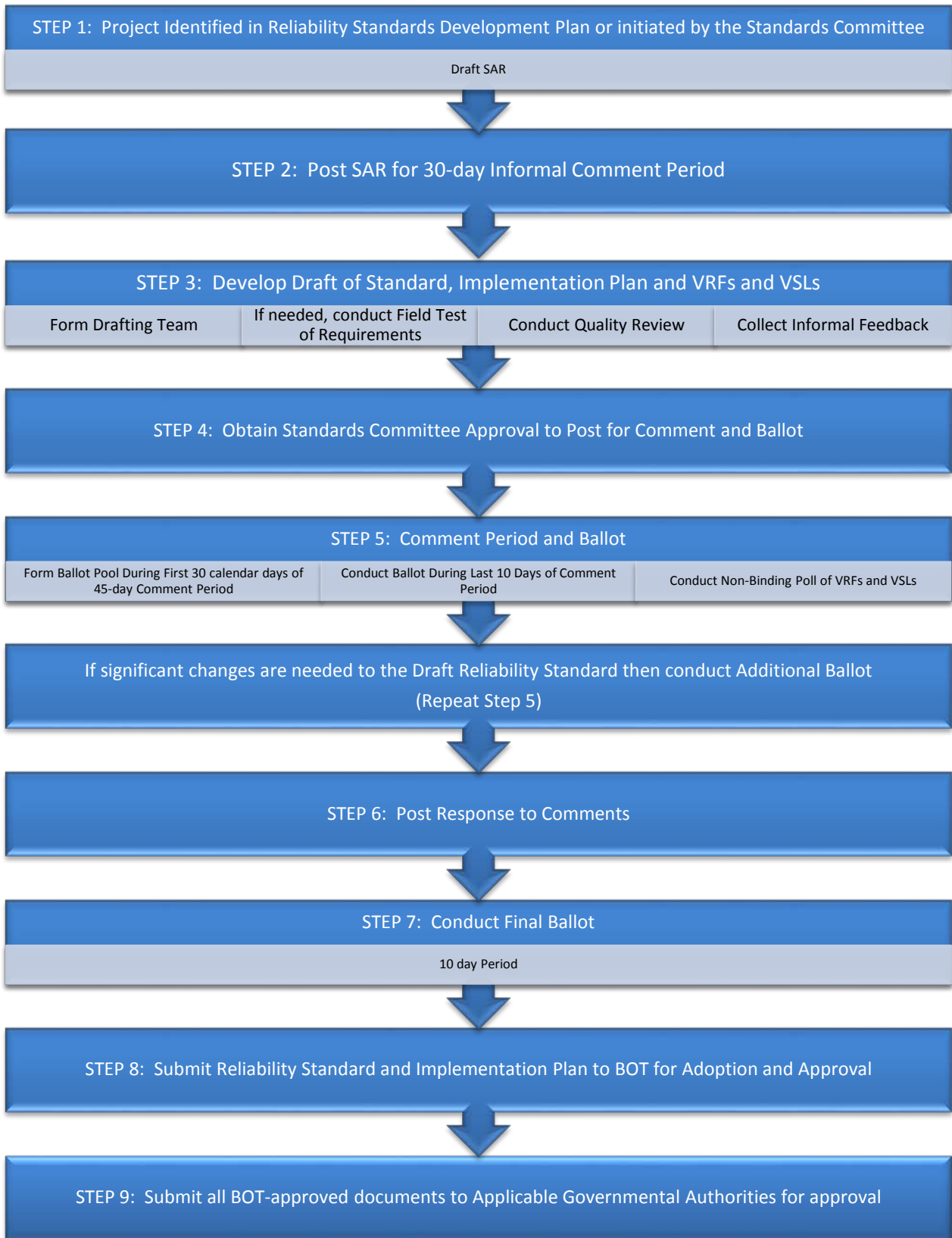
The development of the *Reliability Standards Development Plan* is the appropriate forum for reaching agreement on whether there is a need for a Reliability Standard and the scope of a proposed Reliability Standard. A typical process for a project identified in the *Reliability Standards Development Plan* that involves a revision to an existing Reliability Standard is shown below. Note that most projects do not include a field test.

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<sup>14</sup> The process described is also applicable to projects used to propose a new or modified definition or Variance or to propose retirement of a definition or Variance.



## Process for Developing, Modifying, Withdrawing or Retiring a Reliability Standard



**FIGURE 1: Process for Developing or Modifying a Reliability Standard**

#### 4.1: Posting and Collecting Information on SARs

##### Standard Authorization Request

A Standard Authorization Request (“SAR”) is the form used to document the scope and reliability benefit of a proposed project for one or more new or modified Reliability Standards or definitions or the benefit of retiring one or more approved Reliability Standards. Any entity or individual, including NERC committees or subgroups and NERC Staff, may propose the development of a new or modified Reliability Standard, or may propose the retirement of a Reliability Standard (in whole or in part), by submitting a completed SAR<sup>15</sup> to the NERC Reliability Standards Staff. The Standards Committee has the authority to approve the posting of all SARs for projects that propose (i) developing a new or modified Reliability Standard or definition or (ii) propose retirement of an existing Reliability Standard (or elements thereof).

The NERC Reliability Standards Staff sponsors an open solicitation period each year seeking ideas for new Reliability Standards projects (using *Reliability Standards Suggestions and Comments forms*). The open solicitation period is held in conjunction with the annual revision to the *Reliability Standards Development Plan*. While the Standards Committee prefers that ideas for new projects be submitted during this annual solicitation period through submittal of a *Reliability Standards Suggestions and Comments Form*,<sup>16</sup> a SAR proposing a specific project may be submitted to the NERC Reliability Standards Staff at any time.

Each SAR that proposes a “new” or substantially revised Reliability Standard or definition should be accompanied by a technical justification that includes, as a minimum, a discussion of the reliability-related benefits and costs of developing the new Reliability Standard or definition, and a technical foundation document (e.g., research paper) to guide the development of the Reliability Standard or definition. The technical document should address the engineering, planning and operational basis for the proposed Reliability Standard or definition, as well as any alternative approaches considered during SAR development.

The NERC Reliability Standards Staff shall review each SAR and work with the submitter to verify that all required information has been provided. All properly completed SARs shall be submitted to the Standards Committee for action at the next regularly scheduled Standards Committee meeting.

When presented with a SAR, the Standards Committee shall determine if the SAR is sufficiently complete to guide Reliability Standard development and whether the SAR is consistent with this manual. The Standards Committee shall take one of the following actions:

- Accept the SAR.
- Remand the SAR back to the requestor or to NERC Reliability Standards Staff for additional work.
- Reject the SAR. The Standards Committee may reject a SAR for good cause. If the Standards Committee rejects a SAR, it shall provide a written explanation for rejection to the sponsor within ten days of the rejection decision.
- Delay action on the SAR pending one of the following: (i) development of a technical justification for the proposed project; or (ii) consultation with another NERC Committee to determine if there is another approach to addressing the issue raised in the SAR.

If the Standards Committee is presented with a SAR that proposes developing a new Reliability Standard or definition but does not have a technical justification upon which the Reliability Standard or definition can be developed, the Standards Committee shall direct the NERC Reliability Standards Staff to post the

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<sup>15</sup> The SAR form can be downloaded from the Reliability Standards Resources web page.

<sup>16</sup> The *Reliability Standards Suggestions and Comments Form* can be downloaded from the Reliability Standards Resources web page.

## Process for Developing, Modifying, Withdrawing or Retiring a Reliability Standard

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SAR for a 30-day comment period solely to collect stakeholder feedback on the scope of technical foundation, if any, needed to support the proposed project. If a technical foundation is determined to be necessary, the Standards Committee shall solicit assistance from NERC's technical committees or other industry experts to provide that foundation before authorizing development of the associated Reliability Standard or definition.

During the SAR comment process, the drafting team may become aware of potential regional Variances related to the proposed Reliability 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 shall be made a part of the draft new or revised Reliability Standard.

If the Standards Committee accepts a SAR, the project shall be added to the list of approved projects. The Standards Committee shall assign a priority to the project, relative to all other projects under development, and those projects already identified in the *Reliability Standards Development Plan* that are already approved for development.

The Standards Committee shall work with the NERC Reliability Standards Staff to coordinate the posting of SARs for new projects, giving consideration to each project's priority.

### **4.2: SAR Posting**

When the Standards Committee determines it is ready to initiate a new project, the Standards Committee shall direct NERC Staff to post the project's SAR in accordance with the following:

- For SARs that are limited to addressing regulatory directives, or revisions to Reliability Standards that have had some vetting in the industry, authorize posting the SAR for a 30-day informal comment period with no requirement to provide a formal response to the comments received.
- For SARs that address the development of new projects or Reliability Standards, authorize posting the SAR for a 30-day formal comment period.

If a SAR for a new Reliability Standard is posted for a formal comment period, the Standards Committee shall appoint a drafting team to work with the NERC Staff coordinator to give prompt consideration of the written views and objections of all participants. The Standards Committee may use a public nomination process to populate the Reliability Standard drafting team, or may use another method that results in a team that collectively has the necessary technical expertise and work process skills to meet the objectives of the project. In some situations, an *ad hoc* team may already be in place with the requisite expertise, competencies, and diversity of views that are necessary to refine the SAR and develop the Reliability Standard, and additional members may not be needed. The drafting team shall address all comments submitted, which may be in the form of a summary response addressing each of the issues raised in comments received, during the public posting period. 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. If the drafting team concludes that there is not sufficient stakeholder support to continue to refine the SAR, the team may recommend that the Standards Committee direct curtailment of work on the SAR.

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. The Standards Committee shall notify the sponsor in writing of the rejection within 10 calendar days.

If stakeholders indicate support for the project proposed with the SAR, the drafting team shall present its work to the Standards Committee with a request that the Standards Committee authorize development of the associated Reliability Standard.

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

- Authorize drafting the proposed Reliability Standard or revisions to a Reliability Standard.
- Reject the SAR with a written explanation to the sponsor and post that explanation.

### **4.3: Form Drafting Team**

When the Standards Committee is ready to have a drafting team begin work on developing a new or revised Reliability Standard, the Standards Committee shall appoint a drafting team, if one was not already appointed to develop the SAR. If the Standards Committee appointed a drafting team to refine the SAR, the same drafting team shall work to develop the associated Reliability Standard.

If no drafting team is in place, then the Standards Committee may use a public nomination process to populate the Reliability Standard drafting team, or may use another method that results in a team that collectively has the necessary technical expertise, diversity of views and work process skills to accomplish the objectives of the project on a timely basis. In some situations, an ad hoc team may already be in place with the requisite expertise, competencies, and diversity of views that are necessary to develop the Reliability Standard, and additional members may not be needed.

The NERC Reliability Standards Staff shall provide one or more members as needed to support the team with facilitation, project management, compliance, legal, regulatory and technical writing expertise and shall provide administrative support to the team, guiding the team through the steps in completing its project. In developing the Reliability Standard, the individuals provided by the NERC Reliability Standards Staff serve as advisors to the drafting team and do not have voting rights but share accountability along with the drafting team members assigned by the Standards Committee for timely delivery of a final draft Reliability Standard that meets the quality attributes identified in NERC's Benchmarks for Excellent Standards. The drafting team members assigned by the Standards Committee shall have final authority over the technical details of the Reliability Standard, while the technical writer shall provide assistance to the drafting team in assuring that the final draft of the Reliability Standard meets the quality attributes identified in NERC's Benchmarks for Excellent Standards.

Once it is appointed by the Standards Committee, the Reliability Standard drafting team is responsible for making recommendations to the Standards Committee regarding the remaining steps in the Reliability Standards process. Consistent with the need to provide for timely standards development, the Standards Committee may decide a project is so large that it should be subdivided and either assigned to more than one drafting team or assigned to a single drafting team with clear direction on completing the project in specified phases. The normally expected timeframes for standards development within the context of this manual are applicable to individual standards and not to projects containing multiple standards. Alternatively, a single drafting team may address the entire project with a commensurate increase in the expected duration of the development work. If a SAR is subdivided and assigned to more than one drafting team, each drafting team will have a clearly defined portion of the work such that there are no overlaps and no gaps in the work to be accomplished.

The Standards Committee may supplement the membership of a Reliability Standard drafting team or provide for additional advisors, as appropriate, to ensure the necessary competencies and diversity of views are maintained throughout the Reliability Standard development effort.

### **4.4: Develop Preliminary Draft of Reliability Standard, Implementation Plan and VRFs and VSLs**

#### **4.4.1: Project Schedule**

When a drafting team begins its work, either in refining a SAR or in developing or revising a proposed Reliability Standard, the drafting team shall develop a project schedule which shall be approved by the Standards Committee. The drafting team shall report progress to the Standards Committee, against the initial project schedule and any revised schedule as requested by the Standards Committee. Where project milestones cannot be completed on a timely basis, modifications to the project schedule must be presented to the Standards Committee for consideration along with proposed steps to minimize unplanned project delays.

### **4.4.2: Draft Reliability Standard**

The team shall develop a Reliability Standard that is within the scope of the associated SAR that includes all required elements as described earlier in this manual with a goal of meeting the quality attributes identified in NERC's Benchmarks for Excellent Standards and criteria for governmental approval. The team shall document its justification for the Requirements in its proposed Reliability Standard by explaining how each meets these criteria. The standard drafting team shall document its justification for selecting each reference by explaining how each Requirement fits the category chosen.

### **4.4.3: Implementation Plan**

As a drafting team drafts its proposed revisions to a Reliability Standard, that team is also required to develop an implementation plan to identify any factors for consideration when approving the proposed effective date or dates for the associated Reliability Standard or Standards. As a minimum, the implementation plan shall include the following:

- The proposed effective date (the date entities shall be compliant) for the Requirements.
- Identification of any new or modified definitions that are proposed for approval with the associated Reliability Standard.
- Whether there are any prerequisite actions that need to be accomplished before entities are held responsible for compliance with one or more of the Requirements.
- Whether approval of the proposed Reliability Standard will necessitate any conforming changes to any already approved Reliability Standards – and identification of those Reliability Standards and Requirements.
- The Functional Entities that will be required to comply with one or more Requirements in the proposed Reliability Standard.

A single implementation plan may be used for more than one Reliability Standard. The implementation plan is posted with the associated Reliability Standard or Standards during the 45 (calendar) day formal comment period and is balloted with the associated Reliability Standard.

### **4.4.4: Violation Risk Factors and Violation Severity Levels**

The drafting team shall work with NERC Staff in developing a set of VRFs and VSLs that meet the latest criteria established by NERC and Applicable Governmental Authorities. The drafting team shall document its justification for selecting each VRF and for setting each set of proposed VSLs by explaining how its proposed VRFs and VSLs meet these criteria. NERC Staff is responsible for ensuring that the VRFs and VSLs proposed for stakeholder review meet these criteria.

Before the drafting team has finalized its Reliability Standard, implementation plan, and VRFs and VSLs, the team should seek stakeholder feedback on its preliminary draft documents.

### **4.5: Informal Feedback<sup>17</sup>**

Drafting teams may use a variety of methods to collect informal stakeholder feedback on preliminary drafts of its documents, including the use of informal comment periods,<sup>18</sup> webinars, industry meetings, workshops, or other mechanisms. Information gathered from informal comment forms shall be publicly posted. While drafting teams are not required to provide a written response to each individual comment received, drafting teams are encouraged, where possible, to post a summary response that identifies how it used comments submitted by stakeholders. Drafting teams are encouraged, where possible, to reach out directly to individual stakeholders in order to facilitate resolution of identified stakeholder concerns. The intent is to gather stakeholder feedback on a “working document” before the document reaches the point where it is considered the “final draft.”

### **4.6: Conduct Quality Review**

The NERC Reliability Standards Staff shall coordinate a quality review of the Reliability Standard, implementation plan, and VRFs and VSLs in parallel with the development of the Reliability Standard and implementation plan, to assess whether the documents are within the scope of the associated SAR, whether the Reliability Standard is clear and enforceable as written, and whether the Reliability Standard meets the criteria specified in NERC’s Benchmarks for Excellent Standards and criteria for governmental approval of Reliability Standards. The drafting team shall consider the results of the quality review, decide upon appropriate changes, and recommend to the Standards Committee whether the documents are ready for formal posting and balloting.

The Standards Committee shall authorize posting the proposed Reliability Standard, and implementation plan for a formal comment period and ballot and the VRFs and VSLs for a non-binding poll as soon as the work flow will accommodate.

If the Standards Committee finds that any of the documents do not meet the specified criteria, the Standards Committee shall remand the documents to the drafting team for additional work.

If the Reliability Standard is outside the scope of the associated SAR, the drafting team shall be directed to either revise the Reliability Standard so that it is within the approved scope, or submit a request to expand the scope of the approved SAR. If the Reliability Standard is not clear and enforceable as written, or if the Reliability Standard does not meet the specified criteria, the Reliability Standard shall be returned to the drafting team by the Standards Committee with specific identification of any Requirement that is deemed to be unclear or unenforceable as written.

### **4.7: Conduct Formal Comment Period and Ballot**

Proposed new or modified Reliability Standards require a formal comment period where the new or modified Reliability Standard, implementation plan and associated VRFs and VSLs or the proposal to retire a Reliability Standard, implementation plan and associated VRFs and VSLs are posted.

The formal comment period shall be at least 45-days long. Formation of the ballot pool and Ballot of the Reliability Standard take place during this formal 45-day comment period. The intent of the formal comment period(s) is to solicit very specific feedback on the final draft of the Reliability Standard, implementation plan and VRFs and VSLs.

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<sup>17</sup> While this discussion focuses on collecting stakeholder feedback on proposed Reliability Standards and implementation plans, the same process is used to collect stakeholder feedback on proposed new or modified Interpretations, definitions and Variances.

<sup>18</sup> The term “informal comment period” refers to a comment period conducted outside of the ballot process and where there is no requirement for a drafting team to respond in writing to submitted comments.

Comments in written form may be submitted on a draft Reliability Standard by any interested stakeholder, including NERC Staff, FERC Staff, and other interested governmental authorities. If stakeholders disagree with some aspect of the proposed set of products, comments provided should explain the reasons for such disagreement and, where possible, suggest specific language that would make the product acceptable to the stakeholder.

### **4.8: Form Ballot Pool**

The NERC Reliability Standards Staff shall establish a ballot pool during the first 30 calendar days of the 45-day formal comment period. The NERC Reliability Standards Staff shall post the proposed Reliability Standard, along with its implementation plan, VRFs and VSLs and shall send a notice to every entity in the Registered Ballot Body to provide notice that there is a new or revised Reliability Standard proposed for approval and to solicit participants for the associated ballot pool. All members of the Registered Ballot Body are eligible to join each ballot pool to vote on a new or revised Reliability Standard and its implementation plan and to participate in the non-binding poll of the associated VRFs and VSLs.

Any member of the Registered Ballot Body may join or withdraw from the ballot pool until the ballot window opens. No Registered Ballot Body member may join or withdraw from the ballot pool once the first ballot starts through the point in time where balloting for that Reliability Standard action has ended. The Director of Standards may authorize deviations from this rule for extraordinary circumstances such as the death, retirement, or disability of a ballot pool member that would prevent an entity that had a member in the ballot pool from eligibility to cast a vote during the ballot window. Any approved deviation shall be documented and noted to the Standards Committee.

### **4.9: Conduct Ballot and Non-binding Poll of VRFs and VSLs<sup>19</sup>**

The NERC Reliability Standards Staff shall announce the opening of the Ballot window and the non-binding poll of VRFs and VSLs. The Ballot window and non-binding poll of VRFs and VSLs shall take place during the last 10 calendar days of the 45-day formal comment period and for the Final Ballot shall be no less than 10 calendar days. If the last day of the ballot window falls on a Saturday or Sunday, the period does not end until the next business day.<sup>20</sup>

The ballot and non-binding poll shall be conducted electronically. The voting window shall be for a period of 10 calendar days but shall be extended, if needed, until a quorum is achieved. During a ballot window, NERC shall not sponsor or facilitate public discussion of the Reliability Standard action under ballot.

There is no requirement to conduct a new non-binding poll of the revised VRFs and VSLs if no changes were made to the associated standard, however if the requirements are modified and conforming changes are made to the associated VRFs and VSLs, another non-binding poll of the revised VRFs and VSLs shall be conducted.

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<sup>19</sup> While RSAWs are not part of the Reliability Standard, they are developed through collaboration of the SDT and NERC Compliance Staff. A non-binding poll, similar to what is done for VRFs and VSLs may be conducted for the RSAW developed through this process to gauge industry support for the companion RSAW to be provided for informational purposes to the NERC Board of Trustees.

<sup>20</sup> Closing dates may be extended as deemed appropriate by NERC Staff.

#### 4.10: Criteria for Ballot Pool Approval

Ballot pool approval of a Reliability Standard requires:

A quorum, which is established by at least 75% of the members of the ballot pool submitting a response; and

A two-thirds majority of the weighted Segment votes cast shall be affirmative. The number of votes cast is the sum of affirmative votes and negative votes with comments. This calculation of votes for the purpose of determining consensus excludes (i) abstentions, (ii) non-responses, and (iii) negative votes without comments.

The following process<sup>21</sup> is used to determine if there are sufficient affirmative votes.

- For each Segment with ten or more voters, the following process shall be used: The number of affirmative votes cast shall be divided by the sum of affirmative and negative votes with comments cast to determine the fractional affirmative vote for that Segment. Abstentions, non-responses, and negative votes without comments shall not be counted for the purposes of determining the fractional affirmative vote for a Segment.
- For each Segment with less than ten voters, the vote weight of that Segment shall be proportionally reduced. Each voter within that Segment voting affirmative or negative with comments shall receive a weight of 10% of the Segment vote.
- The sum of the fractional affirmative votes from all Segments divided by the number of Segments voting<sup>22</sup> shall be used to determine if a two-thirds majority has been achieved. (A Segment shall be considered as “voting” if any member of the Segment in the ballot pool casts either an affirmative vote or a negative vote with comments.)
- A Reliability Standard shall be approved if the sum of fractional affirmative votes from all Segments divided by the number of voting Segments is at least two thirds.

#### 4.11: Voting Positions

Each member of the ballot pool may **only** vote one of the following positions on the Ballot and Additional Ballot(s):

- Affirmative;
- Affirmative, with comment;
- Negative with comments;
- Abstain.

Given that there is no formal comment period concurrent with the Final Ballot, each member of the ballot pool may **only** vote one of the following positions on the Final Ballot:

- Affirmative;
- Negative;<sup>23</sup>
- Abstain.

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<sup>21</sup> Examples of weighted segment voting calculation are posted on the Reliability Standards Resources web page.

<sup>22</sup> 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.

<sup>23</sup> The Final Ballot is used to confirm consensus achieved during the Formal Comment and Ballot stage. Ballot Pool members voting negative on the Final Ballot will be deemed to have expressed the reason for their negative ballot in their own comments or the comments of others during prior Formal Comment periods.



### **4.12: Consideration of Comments**

If a stakeholder or balloter proposes a significant revision to a Reliability Standard during the formal comment period or concurrent Ballot that will improve the quality, clarity, or enforceability of that Reliability Standard, then the drafting team may choose to make such revisions and post the revised Reliability Standard for another 45 calendar day public comment period and ballot. Prior to posting the revised Reliability Standard for an additional comment period, the drafting team must communicate this decision to stakeholders. This communication is intended to inform stakeholders that the drafting team has identified that significant revisions to the Reliability Standard are necessary and should note that the drafting team is not required to respond in writing to comments from the previous ballot. The drafting team will respond to comments received in the last Additional Ballot prior to conducting a Final Ballot.

There is no formal comment period concurrent with the Final Ballot and no obligation for the drafting team to respond to any comments submitted during the Final Ballot.

### **4.13: Additional Ballots**

A drafting team must respond in writing to every stakeholder written comment submitted in response to a ballot prior to conducting a Final Ballot. These responses may be provided in summary form, but all comments and objections must be responded to by the drafting team. All comments received and all responses shall be publicly posted.

However, a drafting team is not required to respond in writing to comments to the previous ballot when it determines that significant changes are needed and an Additional Ballot will be conducted.

### **4.14: Conduct Final Ballot**

When the drafting team has reached a point where it has made a good faith effort at resolving applicable objections and is not making any substantive changes from the previous ballot, the team shall conduct a “Final Ballot.” A non-substantive revision is a revision that does not change the scope, applicability, or intent of any Requirement and includes but is not limited to things such as correcting the numbering of a Requirement, correcting the spelling of a word, adding an obviously missing word, or rephrasing a Requirement for improved clarity. Where there is a question as to whether a proposed modification is “substantive,” the Standards Committee shall make the final determination.

In the Final Ballot, members of the ballot pool shall again be presented the proposed Reliability Standard along with the reasons for negative votes from the previous ballot, the responses of the drafting team to those concerns, and any resolution of the differences.

All members of the ballot pool shall be permitted to reconsider and change their vote from the prior ballot. Members of the ballot pool who did not respond to the prior ballot shall be permitted to vote in the Final Ballot. In the Final Ballot, votes shall be counted by exception only — members on the Final Ballot may indicate a revision to their original vote; otherwise their vote shall remain the same as in their prior ballot.

### **4.15: Final Ballot Results**

There are no limits to the number of public comment periods and ballots that can be conducted to result in a Reliability Standard or interpretation that is clear and enforceable, and achieves a quorum and sufficient affirmative votes for approval. The Standards Committee has the authority to conclude this process for a particular Reliability Standards action if it becomes obvious that the drafting team cannot develop a Reliability Standard that is within the scope of the associated SAR, is sufficiently clear to be enforceable, and achieves the requisite weighted Segment approval percentage.

The NERC Reliability Standards Staff shall post the final outcome of the ballot process. If the Reliability Standard is rejected, the Standards Committee may decide whether to end all further work on the proposed standard, return the project to informal development, or continue holding ballots to attempt to reach

consensus on the proposed standard. If the Reliability Standard is approved, the Reliability Standard shall be posted and presented to the Board of Trustees by NERC management for adoption and subsequently filed with Applicable Governmental Authorities for approval.

### **4.16: Board of Trustees Adoption of Reliability Standards, Implementation Plan and VRFs and VSLs**

If a Reliability Standard and its associated implementation plan are approved by its ballot pool, the Board of Trustees shall consider adoption of that Reliability Standard and its associated implementation plan and shall direct the standard to be filed with Applicable Governmental Authorities for approval. In making its decision, the Board shall consider the results of the balloting and unresolved dissenting opinions. The Board shall adopt or reject a Reliability Standard and its implementation plan, but shall not modify a proposed Reliability Standard. If the Board chooses not to adopt a Reliability Standard, it shall provide its reasons for not doing so.

The board shall consider approval of the VRFs and VSLs associated with a reliability standard. In making its determination, the board shall consider the following:

- The Standards Committee shall present the results of the non-binding poll conducted and a summary of industry comments received on the final posting of the proposed VRFs and VSLs.
- NERC Staff shall present a set of recommended VRFs and VSLs that considers the views of the standard drafting team, stakeholder comments received on the draft VRFs and VSLs during the posting for comment process, the non-binding poll results, appropriate governmental agency rules and directives, and VRF and VSL assignments for other Reliability Standards to ensure consistency and relevance across the entire spectrum of Reliability Standards.

### **4.17: Compliance**

For a Reliability Standard to be enforceable, it shall be approved by its ballot pool, adopted by the NERC Board of Trustees, and approved by Applicable Governmental Authorities, unless otherwise approved by the NERC Board of Trustees pursuant to the NERC Rules of Procedure (*e.g.*, Section 321) and approved by Applicable Governmental Authorities. Once a Reliability Standard is approved or otherwise made mandatory by Applicable Governmental Authorities, all persons and organizations subject to jurisdiction of the ERO will be required to comply with the Reliability Standard in accordance with applicable statutes, regulations, and agreements.

### **4.18: Withdrawal of a Reliability Standard, Interpretation, or Definition**

The term “withdrawal” as used herein, refers to the discontinuation of a Reliability Standard, Interpretation, Variance or definition that has been approved by the Board of Trustees and (1) has not been filed with Applicable Governmental Authorities, or (2) has been filed with, but not yet approved by, Applicable Governmental Authorities. The Standards Committee may withdraw a Reliability Standard, Interpretation or definition for good cause upon approval by the Board of Trustees. Upon approval by the Board of Trustees, NERC Staff will petition the Applicable Governmental Authorities, as needed, to allow for withdrawal. The Board of Trustees also has an independent right of withdrawal that is unaffected by the terms and conditions of this Section.

### **4.19: Retirement of a Reliability Standard, Interpretation, or Definition**

The term “retirement” refers to the discontinuation of a Reliability Standard, Interpretation or definition that has been approved by Applicable Governmental Authorities. A Reliability Standard, Variance or Definition may be retired when it is superseded by a revised version, and in such cases the retirement of the

## Process for Developing, Modifying, Withdrawing or Retiring a Reliability Standard

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earlier version is to be noted in the implementation plan presented to the ballot pool for approval and the retirement shall be considered approved by the ballot pool upon ballot pool approval of the revised version.

Upon identification of a need to retire a Reliability Standard, Variance, Interpretation or definition, where the item will not be superseded by a new or revised version, a SAR containing the proposal to retire a Reliability Standard, Variance, Interpretation or definition will be posted for a comment period and ballot in the same manner as a Reliability Standard. The proposal shall include the rationale for the retirement and a statement regarding the impact of retirement on the reliability of the Bulk Power System. Upon approval by the Board of Trustees, NERC Staff will petition the Applicable Governmental Authorities to allow for retirement.

## Section 5.0: Process for Developing a Defined Term

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NERC maintains a glossary of approved terms, entitled the *Glossary of Terms Used in NERC Reliability Standards*<sup>24</sup> (“Glossary of Terms”). The Glossary of Terms includes terms that have been through the formal approval process and are used in one or more NERC Reliability Standards. Definitions shall not contain statements of performance Requirements. The Glossary of Terms is intended to provide consistency throughout the Reliability Standards.

There are several methods that can be used to add, modify or retire a defined term used in a continent-wide Reliability Standard.

- Anyone can use a Standard Authorization Request (“SAR”) to submit a request to add, modify, or retire a defined term.
- Anyone can submit a Standards Comments and Suggestions Form recommending the addition, modification, or retirement of a defined term. (The suggestion would be added to a project and incorporated into a SAR.)
- A drafting team may propose to add, modify, or retire a defined term in conjunction with the work it is already performing.

### 5.1: Proposals to Develop a New or Revised Definition

The following considerations should be made when considering proposals for new or revised definitions:

- Some NERC Regional Entities have defined terms that have been approved for use in Regional Reliability Standards, and where the drafting team agrees with a term already defined by a Regional Entity, the same definition should be adopted if needed to support a NERC Reliability Standard.
- If a term is used in a Reliability Standard according to its common meaning (as found in a collegiate dictionary), the term shall not be proposed for addition to the Glossary of Terms.
- If a term has already been defined, any proposal to modify or delete that term shall consider all uses of the definition in approved Reliability Standards, with a goal of determining whether the proposed modification is acceptable, and whether the proposed modification would change the scope or intent of any approved Reliability Standards.
- When practical, where NAESB has a definition for a term, the drafting team shall use the same definition to support a NERC Reliability Standard.

Any definition that is balloted separately from a proposed new or modified Reliability Standard or from a proposal for retirement of a Reliability Standard shall be accompanied by an implementation plan.

If a SAR is submitted to the NERC Reliability Standards Staff with a proposal for a new or revised definition, the Standards Committee shall consider the urgency of developing the new or revised definition and may direct NERC Staff to post the SAR immediately, or may defer posting the SAR until a later time based on its priority relative to other projects already underway or already approved for future development. If the SAR identifies a term that is used in a Reliability Standard already under revision by a drafting team, the Standards Committee may direct the drafting team to add the term to the scope of the existing project. Each time the Standards Committee accepts a SAR for a project that was not identified in the *Reliability Standards Development Plan*, the project shall be added to the list of approved projects.

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<sup>24</sup> The latest approved version of the Glossary of Terms is posted on the NERC website on the Standards web page.

### **5.2: Stakeholder Comments and Approvals**

Any proposal for a new or revised definition shall be processed in the same manner as a Reliability Standard and quality review shall be conducted in parallel with this process. Once authorized by the Standards Committee, the proposed definition and its implementation plan shall be posted for at least one formal stakeholder comment period and shall be balloted in the same manner as a Reliability Standard. If a new or revised definition is proposed by a drafting team, that definition may be balloted separately from the associated Reliability Standard.

Each definition that is approved by its ballot pool shall be submitted to the NERC Board of Trustees for adoption and then filed with Applicable Governmental Authorities for approval in the same manner as a Reliability Standard.

## Section 6.0: Processes for Conducting Field Tests ~~and Collecting and Analyzing Data~~

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While most drafting teams can develop ~~their~~ Reliability Standards without the need to conduct any field tests and without the need to collect and analyze data, some Reliability Standard development efforts may ~~require benefit from~~ field tests to analyze data and validate concepts in the development of Reliability Standards. ~~Drafting teams are not required to collect and analyze data or to conduct a field test to validate a Reliability Standard.~~

~~There are two types of field tests—tests of concepts and tests of requirements. A field test is initiated by either a SAR or Reliability Standard drafting team. The drafting team may be supplemented with other individuals based on the required technical expertise needed to support the field test. The drafting team is responsible for developing the field test plan, including the implementation schedule, and for identifying compliance related issues such as the potential need for compliance waivers.~~

### 6.1: Field Tests and Data Analysis ~~for Validation of Concepts (collectively “field test”)~~

- ~~Field tests ~~or collection and analysis of data~~ to validate concepts that support the development of ~~Requirements-Reliability Standards~~ should be conducted, ~~to the extent possible~~, before the SAR for a project is finalized. ~~If an entity wants to test a technical concept in support of a proposal for a new or revised Reliability Standard, the entity should either work with one of NERC’s technical committees in collecting and analyzing the data or in conducting the field test, or the entity should submit a SAR with a request to collect and analyze data or conduct a field test to validate the concept prior to developing a new or revised Reliability Standard. The request to collect and analyze data or conduct a field test should include, at a minimum, either the data collection and analysis or field test plan, the implementation schedule, and an expectation for periodic updates of the analysis of the results. If the SAR sponsor has not collected and analyzed the data or conducted the field test, the Standards Committee may solicit support from NERC’s technical committees or others in the industry. The results of the data collection and analysis or field test shall then be used to determine whether to add the SAR to the list of projects in the Reliability Standard Development Plan.~~~~
- ~~To conduct a field test of a technical concept in a proposed new or revised Reliability Standard, the drafting team must work with NERC Staff to identify one of NERC’s technical committees to oversee the field test as well as other technical committees with relevant technical expertise.~~
- ~~The field test is conducted by the drafting team, in coordination with NERC Staff and under the oversight of the assigned technical committee, in accordance with an approved field test plan.~~

~~If a drafting team finds that it needs to collect and analyze data or conduct a field test of a concept that was not identified when the SAR was accepted, then the Standards Committee may direct the team to withdraw the SAR until the data has been collected and analyzed or until the field test has been conducted and the industry has had an opportunity to review the results for the impact on the scope of the proposed project.~~

#### 6.1.1. Field Test Approval

~~The request to conduct a field test shall include, at a minimum:~~

- ~~the field test plan,~~
- ~~the implementation schedule, and~~
- ~~an expectation for periodic updates of the analysis of the results to the lead NERC technical committee.~~

Prior to the drafting team conducting a field test, the drafting team must first receive approval from the lead NERC technical committee. Second, the drafting team must receive approval from the Standards Committee.

The lead NERC technical committee's approval shall be based on the technical adequacy of the field test plan. Following approval, the lead NERC technical committee shall provide a recommendation to the Standards Committee for the disposition of the field test plan request. The lead NERC technical committee shall coordinate all entity participation in the field test, such as accepting, adding, and withdrawing individual entities from the field test, as well as coordinating and communicating status of the results of the field test.

The Standards Committee's decision to approve the field test plan request shall be based solely on whether the Standards Committee, by majority vote, agrees or disagrees with the lead NERC technical committee's recommendation. If the Standards Committee disagrees with the lead NERC technical committee's recommendation, the Standards Committee shall inform the lead NERC technical committee with an explanation of the basis for the decision.

### **6.1.2: Field Test Suspension for Reliability Concerns**

During the field test, if the lead NERC technical committee overseeing the field test determines that the field test is creating a reliability risk to the Bulk Power System:

- the lead NERC technical committee shall stop or modify the activity;
- the lead NERC technical committee shall inform the Standards Committee that the activity was stopped or modified;
- the Standards Committee, with the assistance of NERC Staff, shall document the cessation or modification of the field test; and
- the Standards Committee, with the assistance of NERC Staff, shall notify NERC Compliance Monitoring and Enforcement Program Staff to coordinate any compliance related issues such as continuance or cessation of waivers (see Section 6.2).

Prior to the field test being restarted after it has been stopped, the drafting team must resubmit the field test request and receive approval as outlined in Section 6.1.1.

### **6.1.3: Continuing, Modifying, or Terminating a Field Test**

If the drafting team concludes that a field test does not provide sufficient information to formulate a conclusion within the time allotted in the plan, the drafting team shall provide a recommendation to either continue (including extending the duration of the field test beyond the period of standard development), modify, or terminate the field test to the lead NERC technical committee and the chair of the Standards Committee. The lead NERC technical committee shall either approve or reject a request to continue, modify, or terminate the field test, and thereafter, provide notice to the chair of the Standards Committee of its selection.

If the duration of the field test is extended beyond the period of standard development, the preliminary report and results shall be publicly posted on the NERC web site prior to the final ballot of the Reliability Standard.

## **6.2: Field Tests and Data Analysis for Validation of Requirements**

If a drafting team wants to conduct a field test or collect and analyze data to validate its proposed Requirements in a Reliability Standard, the team shall first obtain approval from the Standards

~~Committee.<sup>25</sup> Drafting teams are not required to collect and analyze data or to conduct a field test to validate a Reliability Standard.~~

~~The request should include at a minimum the data collection and analysis or field test plan, the implementation schedule, and an expectation for periodic updates of the results. When authorizing a drafting team to collect and analyze data or to conduct a field test of one or more Requirements, the Standards Committee may request inputs on technical matters related from NERC's technical committees or industry experts, and may request the assistance of the Compliance Monitoring and Enforcement Program. All data collection and analysis and all field tests shall be concluded and the results incorporated into the Reliability Standard Requirements as necessary before proceeding to the formal comment period and subsequent balloting.~~

### **6.32: Communication and Coordination for All Types of Field Tests ~~and Data Analyses~~**

~~If the conduct of a field test (concepts or Requirements) or data collection and analysis could After approval of the field test, the drafting team may request waivers of compliance for field test participants that would be rendered Registered Entities incapable of complying with the current Requirement(s) of an approved currently enforceable Reliability Standard that is undergoing revision, the drafting team shall request a temporary waiver from compliance to those Requirements for entities participating in the field test due to their participation. Upon request, the Standards Committee shall seek approval for the waiver from the The NERC Compliance Monitoring and Enforcement Program Staff prior to the approval of the field test or data collection and analysis shall determine whether to approve the requested waivers and shall be responsible for approving any modifications or terminations that may become necessary following the start of the field test. The NERC Reliability Standards Staff shall inform the affected Registered Entities. Prior to initiation of the field test, the chair of the Standards Committee, in conjunction with the lead NERC technical committee chair, shall inform the Board of Trustees of the pending field test, the expected duration, and any requested waivers of compliance for Registered Entities.~~

~~During the field test, the drafting team shall provide periodic updates (no less than quarterly) on the progress of the field test to the Standards Committee and the NERC technical committees. Prior to the ballot of any standard involving a field test, the drafting team shall provide to the Standards Committee either a preliminary report of the results of the field test to date, if the field test will continue beyond standard development, or a final report if the field test has been completed. The chair of the Standards Committee shall keep the Board of Trustees informed.~~

~~Once a plan for a field test or a plan for data collection and analysis is approved, the NERC Reliability Standards Staff shall, under the direction of the Standards Committee, coordinate the implementation of the field test or data collection and analysis and shall provide official notice to the participants in the field test or data collection of any applicable temporary waiver to compliance with specific noted Requirements. The drafting team conducting the field test shall provide periodic updates on the progress of the field tests or data collection and analysis to the Standards Committee. The Standards Committee has the right to curtail a field test or data collection and analysis that is not implemented in accordance with the approved plan.~~

~~The field test plan or data collection and analysis plan, its approval, its participants, and all reports and results shall be publicly posted for stakeholder review on the NERC Reliability Standards web page. This posting shall include the participant list, unless it is determined that posting this list would present confidentiality or other concerns.~~

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<sup>25</sup>~~The Process for Approving Data Collection and Analysis and Field Tests Associated with a Reliability Standard is posted on the Reliability Standards Resources web page.~~



## Processes for Conducting a Field Test ~~and Collecting and Analyzing Data~~

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~~If a drafting team conducts or participates in a field test or in data collection and analysis (of concepts or Requirements), it shall provide a final report that identifies the results and how those results will be used.~~

## Section 7.0: Process for Developing an Interpretation

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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. -A valid Interpretation response provides additional clarity about one or more Requirements, but does not expand on any Requirement and does not explain how to comply with any Requirement. -Any entity that is directly and materially affected by the reliability of the North American Bulk Power Systems may request an Interpretation of any Requirement in any continent-wide Reliability Standard that has been adopted by the NERC Board of Trustees. -Interpretations will only be provided for Board of Trustees-approved Reliability Standards *i.e.* (i) the current effective version of a Reliability Standard; or (ii) a version of a Reliability Standard with a future effective date.

### **7.1: Valid Interpretation**

An Interpretation may only clarify ~~or interpret~~ the language of the Requirement(s) of an approved Reliability Standard, including, if applicable, any attachment referenced in the Requirement ~~being clarified~~. The Interpretation may not alter the scope or the language of a Requirement or referenced attachment. No other elements of an approved Reliability Standard are subject to an Interpretation.

### **7.2: Process for Requesting an Interpretation**

The entity requesting the Interpretation shall submit a *Request for Interpretation* form<sup>26</sup> to the NERC Reliability Standards Staff explaining the clarification required, the specific circumstances surrounding the request, and the impact of not having the Interpretation provided. ~~The~~ NERC Reliability Standards and Legal Staffs shall review the request for ~~interpretation~~ Interpretation to determine whether it meets the requirements for a valid ~~interpretation~~ Interpretation. Based on this review, ~~the~~ NERC ~~Standards and Legal Staffs~~ shall make a recommendation to the Standards Committee whether to accept the request for Interpretation and move forward in responding to the Interpretation request.

#### **7.2.1: Rejection of an Interpretation Request**

~~For example, an~~ A request for Interpretation ~~request~~ may be rejected ~~where it~~ in the following circumstances:

- ~~(1) Where the r~~Requests seeks approval of a particular compliance approach.<sup>27</sup>;
- ~~(2) Identifies a gap or perceived weakness in the approved Reliability Standard;~~
- ~~(3) Where an~~ the issue can be addressed by incorporating the issue into an ~~active-existing or future~~ standard ~~drafting team~~ development project;
- ~~(4) Where it~~ the requests seeks clarification of any element of a Reliability Standard other than a Requirement.;
- ~~(5) Where a~~ question the issue has already been addressed in the record.;
- ~~(6) Where the~~ Interpretation request identifies an issue and proposes the development of a new or modified Reliability Standard; (such issues should be addressed via submission of a SAR).;
- ~~(7) Where an~~ Interpretation the request seeks to expand the scope of a Reliability Standard.;
- ~~(8) Where the meaning of a Reliability Standard is plain on its face.~~

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<sup>26</sup> The *Request for Interpretation* form is posted on the NERC Standards web page.

<sup>27</sup> Requests that contain specific compliance approaches, or examples of compliance, are not candidates for Interpretations and should be pursued through the applicable NERC Compliance Monitoring and Enforcement Program processes.

If the Standards Committee rejects the Interpretation request, it shall provide a written explanation for ~~the rejecting the Interpretation~~ rejection to the entity requesting the Interpretation within 10 business days of the decision to reject.

### **7.2.2: Acceptance of an Interpretation Request**

If the Standards Committee accepts the Interpretation request, the ~~Standards Committee shall authorize NERC Reliability Standards Staff shall (i) form a ballot pool and (ii) to~~ assemble an Interpretation drafting team with the relevant expertise to address the ~~request~~ interpretation for approval by the Standards Committee.

### **7.3: Development of an Interpretation**

As soon as practical, the Interpretation drafting team shall develop a ~~“final draft”~~ Interpretation ~~providing the requested clarity~~ addressing the request, consistent with Section 7.1. Interpretations shall be developed in accordance with the following process:

- NERC Reliability Standards staff shall review the draft Interpretation to determine whether it has met the requirements for a valid Interpretation and to provide a recommendation to the Standards Committee whether to authorize posting or remand to the Interpretation drafting team for further work.
- The Standards Committee, after review of the Staff recommendation, may authorize posting of the draft Interpretation for comment and ballot.
- Interpretations ~~will~~ shall be balloted in the same manner as Reliability Standards (see Section 4.0), with the following exceptions:
  - Interpretations shall be posted for a 30-day informal comment period. The Interpretation drafting team is not required to respond in writing to comments submitted during this comment period.
  - The NERC Reliability Standards Staff shall establish a ballot pool during the first 20 days of the 30-day informal comment period.
  - The ballot window shall take place during the last 10 calendar days of the 30-day informal comment period.
  - Final Ballots shall not be conducted for Interpretations. An Interpretation shall be deemed approved by the ballot pool following the first ballot in which the necessary quorum and sufficient affirmative votes are obtained.

If ~~stakeholder comments~~ the ballot results indicate that there is not a consensus for the Interpretation, and the Interpretation drafting team cannot revise the Interpretation without violating the basic ~~expectations criteria outlined above~~ for what constitutes a valid Interpretation (see Section 7.1), the Interpretation drafting team shall notify the Standards Committee of its conclusion and may submit a SAR with the proposed modification to the Reliability Standard. The entity that requested the Interpretation shall be notified in writing and the disposition of the Interpretation shall be posted.

If, during its deliberations, the Interpretation drafting team identifies a reliability-~~related gap~~ deficiency in the Reliability Standard that is highlighted by the Interpretation request, the Interpretation drafting team shall notify the Standards Committee of its conclusion and may submit a SAR with ~~the proposed modification to the Reliability Standard~~ its recommendation at the same time it provides its proposed Interpretation.

~~If approved by the ballot pool, The NERC Reliability Standards and Legal Staffs shall review the final Interpretation to determine whether it has met the requirements for a valid Interpretation and, Based on this review, the NERC Standards and Legal Staffs shall make a recommendation to the NERC Board of Trustees regarding adoption.~~

~~If approved by its ballot pool, the Interpretation shall be forwarded to the NERC Board of Trustees for adoption.<sup>28</sup> If an Interpretation drafting team proposes recommends a modification to a Reliability Standard as part of its work in developing an Interpretation, the Board of Trustees shall be notified of this proposal recommendation at the time the Interpretation is submitted for adoption. Following adoption by the Board of Trustees adoption, NERC Staff shall file the Interpretation shall be filed for approval bywith the Applicable Governmental Authorities, and the Interpretation shall become effective when approved by those Applicable Governmental Authorities.<sup>29</sup> The Interpretation shall stand until such time as the Interpretation can be incorporated into a future revision of the Reliability Standard or the Interpretation is retired due to a future modification of the applicable Requirement.~~

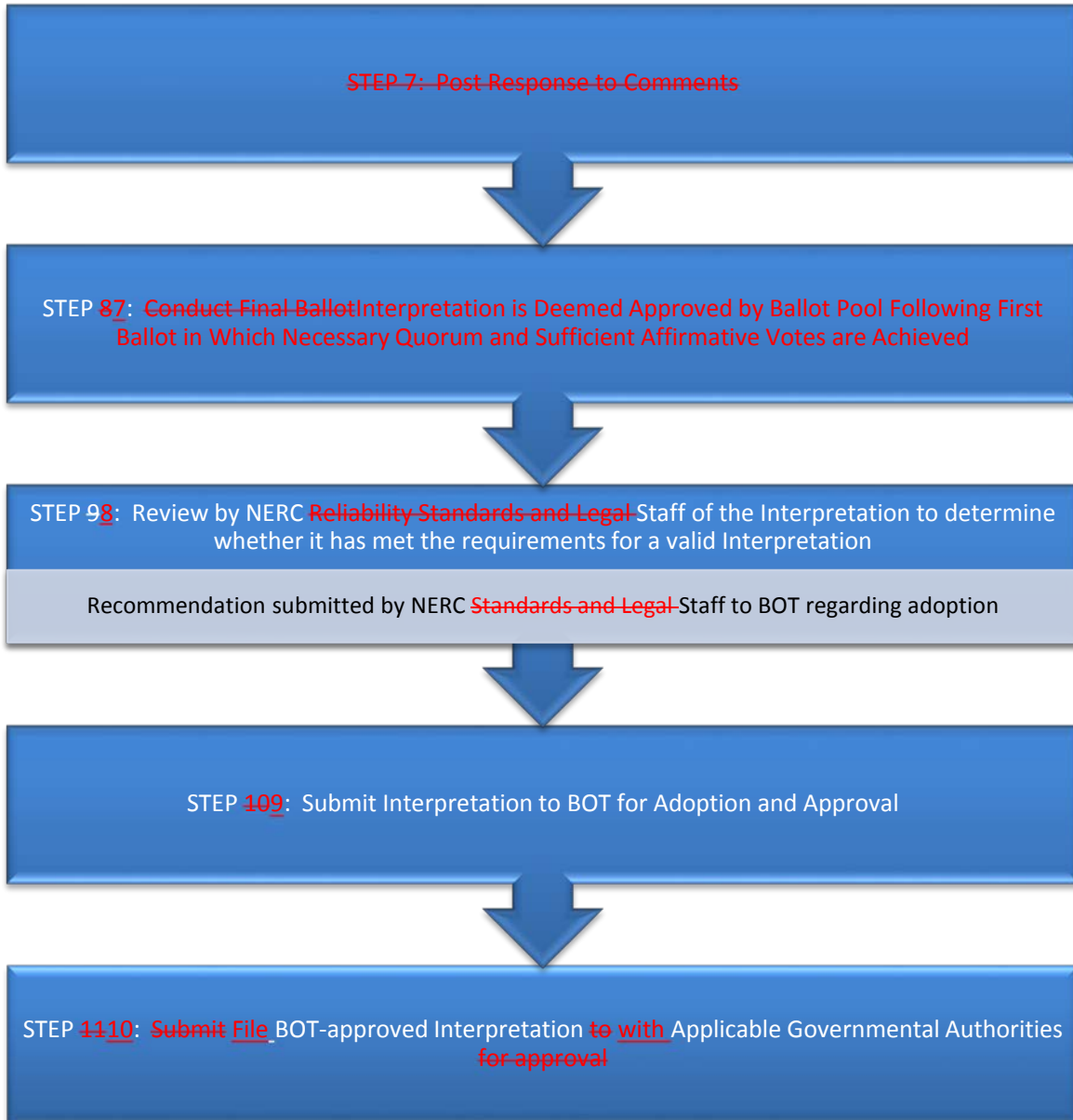
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~~<sup>28</sup> NERC will maintain a record of all interpretations associated with each standard on the Reliability Standards page of the NERC website.~~

~~<sup>29</sup> NERC will maintain a record of all interpretations associated with each standard on the Reliability Standards page of the NERC website.~~

## Process for Developing an Interpretation





**FIGURE 2: Process for Developing an Interpretation**

## Section 8.0: Process for Appealing an Action or Inaction

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Any entity that has directly and materially affected interests and that has been or will be adversely affected by any procedural action or inaction related to the development, approval, revision, reaffirmation, retirement or withdrawal of a Reliability Standard, definition, Variance, associated implementation plan, or Interpretation shall have the right to appeal. This appeals process applies only to the NERC Reliability Standards processes as defined in this manual, not to the technical content of the Reliability Standards action.

The burden of proof to show adverse effect shall be on the appellant. Appeals shall be made in writing 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. 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.

### 8.1: Level 1 Appeal

Level 1 is the required first step in the appeals process. The appellant shall submit (to the Director of Standards) a complaint in writing that describes the procedural action or inaction associated with the Reliability Standards process. The appellant shall describe in the complaint the actual or potential adverse impact to the appellant. Assisted by NERC Staff and industry resources as needed, the Director of Standards 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 shall be made a part of the public record associated with the Reliability Standard.

[At any time prior to receiving the written response to the Level 1 Appeal, an appellant may withdraw the Level 1 Appeal with written notice to the Director of Standards.](#)

### 8.2: 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 Director of Standards, the Director of Standards shall convene a Level 2 Appeals Panel. This panel shall consist of five members 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 NERC Reliability Standards Staff 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 entity that is directly and materially affected by the 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, definition, Variance or Interpretation or implementation plan as these responsibilities remain with the ballot pool and Board of Trustees respectively. The actions of the Level 2 Appeals Panel shall be publicly posted.

At any time prior to the meeting of the Level 2 Appeals Panel, an appellant may withdraw the Level 2 Appeal and accept the results of the Level 1 Appeal by providing written notice to the Director of Standards.

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, definition, Variance or Interpretation. The objection shall 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 shall be filed no later than 30 days after the announcement of the vote by the ballot pool on the Reliability Standard in question.



## Section 9.0: Process for Developing a Variance

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A Variance is an approved, alternative method of achieving the reliability intent of one or more Requirements in a Reliability Standard. No Regional Entity or Bulk Power System owner, operator, or user shall claim a Variance from a NERC Reliability Standard without approval of such a Variance through the relevant Reliability Standard approval procedure for the Variance. Each Variance from a NERC Reliability Standard that is approved by NERC and Applicable Governmental Authorities shall be made an enforceable part of the associated NERC Reliability Standard.

NERC's drafting teams shall aim to develop Reliability Standards with Requirements that apply on a continent-wide basis, minimizing the need for Variances while still achieving the Reliability Standard's reliability objectives. If one or more Requirements cannot be met or complied with as written because of a physical difference in the Bulk Power System or because of an operational difference (such as a conflict with a federally or provincially approved tariff), but the Requirement's reliability objective can be achieved in a different fashion, an entity or a group of entities may pursue a Variance from one or more Requirements in a continent-wide Reliability Standard. It is the responsibility of the entity that needs a Variance to identify that need and initiate the processing of that Variance through the submittal of a SAR<sup>30</sup> that includes a clear definition of the basis for the Variance.

There are two types of Variances – those that apply on an Interconnection-wide basis, and those that apply to one or more entities on less than an Interconnection-wide basis.

### 9.1: Interconnection-wide Variances

Any Variance from a NERC Reliability Standard Requirement that is proposed to apply to Registered Entities within a Regional Entity organized on an Interconnection-wide basis shall be considered an Interconnection-wide Variance and shall be developed through that Regional Entity's NERC-approved Regional Reliability Standards development procedure.

While an Interconnection-wide Variance may be developed through the associated Regional Reliability Standards development process, Regional Entities are encouraged to work collaboratively with existing continent-wide drafting teams to reduce potential conflicts between the two efforts.

An Interconnection-wide 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 associated NERC Reliability Standard. NERC shall rebuttably presume that an Interconnection-wide Variance from a NERC Reliability Standard that is developed, in accordance with a Regional Reliability Standards development 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.

### 9.2: Variances that Apply on Less than an Interconnection-wide Basis

Any Variance from a NERC Reliability Standard Requirement that is proposed to apply to one or more entities but less than an entire Interconnection (*e.g.*, 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 considered a Variance. A Variance may be requested while a Reliability Standard is under development or a Variance may be requested at any time after a Reliability Standard is approved. Each request for a

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<sup>30</sup> A sample of a SAR that identifies the need for a Variance and a sample Variance are posted as resources on the Reliability Standards Resources web page.

## Process for Developing a Variance

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Variance shall be initiated through a SAR, and processed and approved in the same manner as a continent-wide Reliability Standard, using the Reliability Standards development process defined in this manual.

## Section 10.0: Processes for Developing a Reliability Standard Related to a Confidential Issue

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While it is NERC's intent to use its ANSI-accredited Reliability Standards development process for developing its Reliability Standards, NERC has an obligation as the ERO to ensure that there are Reliability Standards in place to preserve the reliability of the interconnected Bulk Power Systems throughout North America. When faced with a national security emergency situation, NERC may use one of the following special processes to develop a Reliability Standard that addresses an issue that is confidential. Reliability Standards developed using one of the following processes shall be called, "special Reliability Standards" and shall not be filed with ANSI for approval as American National Standards.

The NERC Board of Trustees may direct the development of a new or revised Reliability Standard to address a national security situation that involves confidential issues. These situations may involve imminent or long-term threats. In general, these Board directives will be driven by information from the President of the United States of America or the Prime Minister of Canada or a national security agency or national intelligence agency of either or both governments indicating (to the ERO) that there is a national security threat to the reliability of the Bulk Power System.<sup>31</sup>

There are two special processes for developing Reliability Standards responsive to confidential issues – one process where the confidential issue is "imminent," and one process where the confidential issue is "not imminent."

### **10.1: Process for Developing Reliability Standards Responsive to Imminent, Confidential Issues**

If the NERC Board of Trustees directs the immediate development of a new or revised Reliability Standard to address a confidential national security emergency situation, the NERC Reliability Standards Staff shall develop a SAR, form a ballot pool (to vote on the Reliability Standard and its implementation plan) and assemble a slate of pre-defined subject matter experts as a proposed drafting team for approval by the Standards Committee's officers. All members of the Registered Ballot Body shall have the opportunity to join the ballot pool.

### **10.2: Drafting Team Selection**

The Reliability Standard drafting team selection process shall be limited to just those candidates who have already been identified as having the appropriate security clearance, the requisite technical expertise, and either have signed or are willing to sign a strict confidentiality agreement.

### **10.3: Work of Drafting Team**

The Reliability Standard drafting team shall perform all its work under strict security and confidential rules. The Reliability Standard drafting team shall develop the new or revised Reliability Standard and its implementation plan.

The Reliability Standard drafting team shall review its work, to the extent practical, as it is being developed with officials from the appropriate governmental agencies in the U.S. and Canada, under strict security and confidentiality rules.

### **10.4: Formal Stakeholder Comment & Ballot Window**

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<sup>31</sup> The NERC Board may direct the immediate development and issuance of a Level 3 (Essential Action) alert and then may also direct the immediate development of a new or revised Reliability Standard.

The draft Reliability Standard and its implementation plan shall be distributed for a formal comment period, under strict confidentiality rules, only to those entities that are listed in the NERC Compliance Registry to perform one of the functions identified in the applicability section of the Reliability Standard and have identified individuals from their organizations that have signed confidentiality agreements with NERC.<sup>32</sup> At the same time, the Reliability Standard shall be distributed to the members of the ballot pool for review and ballot. The NERC Reliability Standards Staff shall not post or provide the ballot pool with any confidential background information.

The drafting team, working with the NERC Reliability Standards Staff, shall consider and respond to all comments, make any necessary conforming changes to the Reliability Standard and its implementation plan, and shall distribute the comments, responses and any revision to the same population as received the initial set of documents for formal comment and ballot.

### **10.5: Board of Trustee Actions**

Each Reliability Standard and implementation plan developed through this process shall be submitted to the NERC Board of Trustees for adoption.

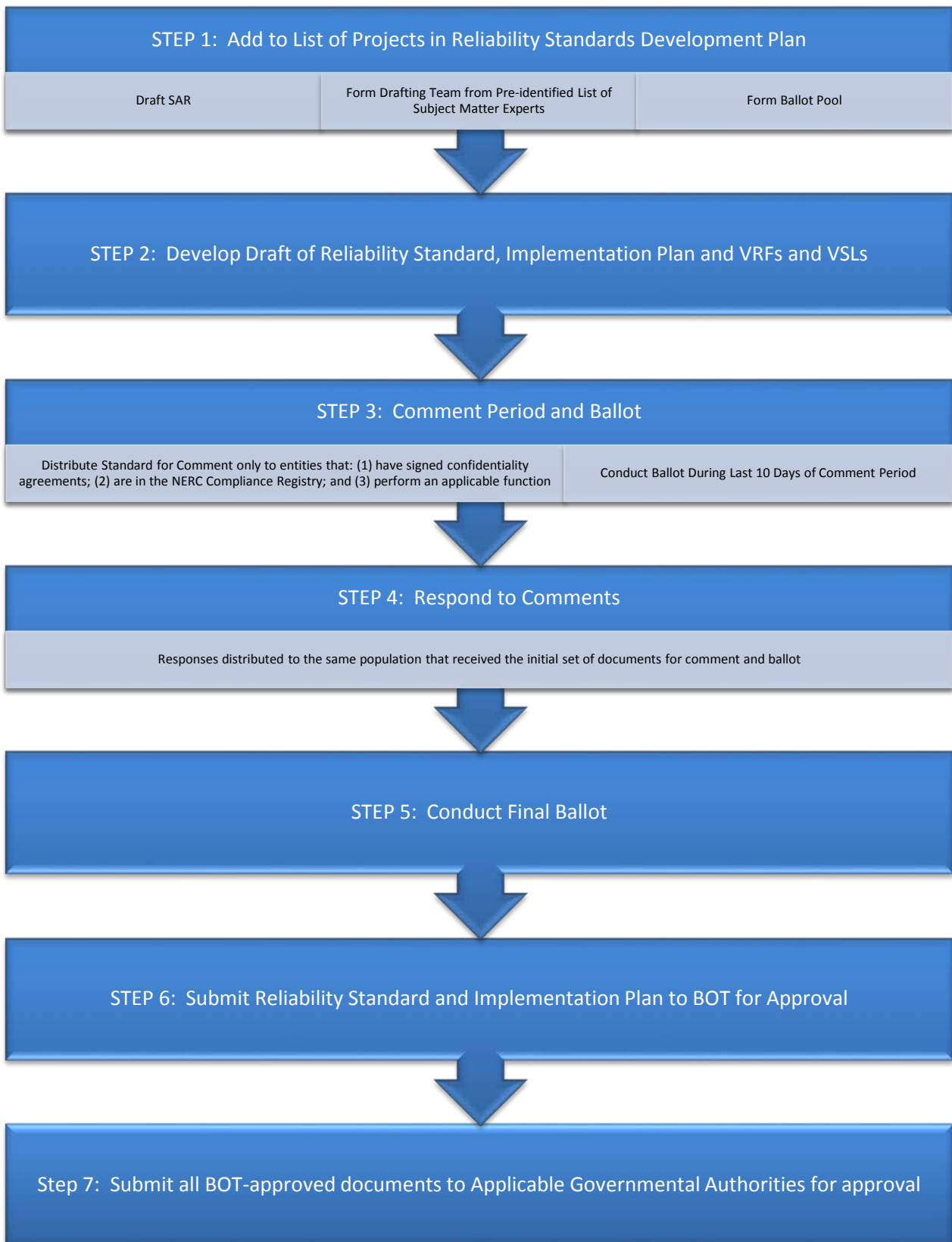
### **10.6: Governmental Approvals**

All approved documents shall be filed for approval with Applicable Governmental Authorities.

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<sup>32</sup> In this phase of the process, only the proposed Reliability Standard shall be distributed to those entities expected to comply, not the rationale and justification for the Reliability Standard. Only the special drafting team members, who have the appropriate security credentials, shall have access to this rationale and justification.

**10.7: Developing a Reliability Standard Responsive to an Imminent, Confidential Issue**



**FIGURE 3: Process for Developing a Standard Responsive to an Imminent, Confidential Issue**

### **10.8: Process for Developing Reliability Standards Responsive to Non-imminent, Confidential Issues**

If the NERC Board of Trustees directs the immediate development of a new or revised Reliability Standard to address a confidential national security emergency situation, the NERC Reliability Standards Staff shall develop a SAR, form a ballot pool (to vote on the Reliability Standard and its implementation plan) and assemble a slate of pre-defined subject matter experts as a proposed drafting team for approval by the Standards Committee's officers. All members of the Registered Ballot Body shall have the opportunity to join the ballot pool.

### **10.9: Drafting Team Selection**

The drafting team selection process shall be limited to just those candidates who have already been identified as having the appropriate security clearance, the requisite technical expertise, and either have signed or are willing to sign a strict confidentiality agreement.

### **10.10: Work of Drafting Team**

The drafting team shall perform all its work under strict security and confidential rules. The Reliability Standard drafting team shall develop the new or revised Reliability Standard and its implementation plan.

The drafting team shall review its work, to the extent practical, as it is being developed with officials from the Applicable Governmental Authorities, under strict security and confidentiality rules.

### **10.11: Formal Stakeholder Comment & Ballot Window**

The draft Reliability Standard and its implementation plan shall be distributed for a formal comment period, under strict confidentiality rules, only to those entities that are listed in the NERC Compliance Registry to perform one of the functions identified in the applicability section of the Reliability Standard and have identified individuals from their organizations that have signed confidentiality agreements with NERC.<sup>33</sup> At the same time, the Reliability Standard shall be distributed to the members of the ballot pool for review and ballot. The NERC Reliability Standards Staff shall not post or provide the ballot pool with any confidential background information.

### **10.12: Revisions to Reliability Standard, Implementation Plan and VRFs and VSLs**

The drafting team, working with the NERC Reliability Standards Staff, shall work to refine the Reliability Standard, implementation plan and VRFs and VSLs in the same manner as for a new Reliability Standard following the "normal" Reliability Standards development process described earlier in this manual with the exception that distribution of the comments, responses, and new drafts shall be limited to those entities that are in the ballot pool and those entities that are listed in the NERC Compliance Registry to perform one of the functions identified in the applicability section of the Reliability Standard and have identified individuals from their organizations that have signed confidentiality agreements with NERC.

### **10.13: Board of Trustee Action**

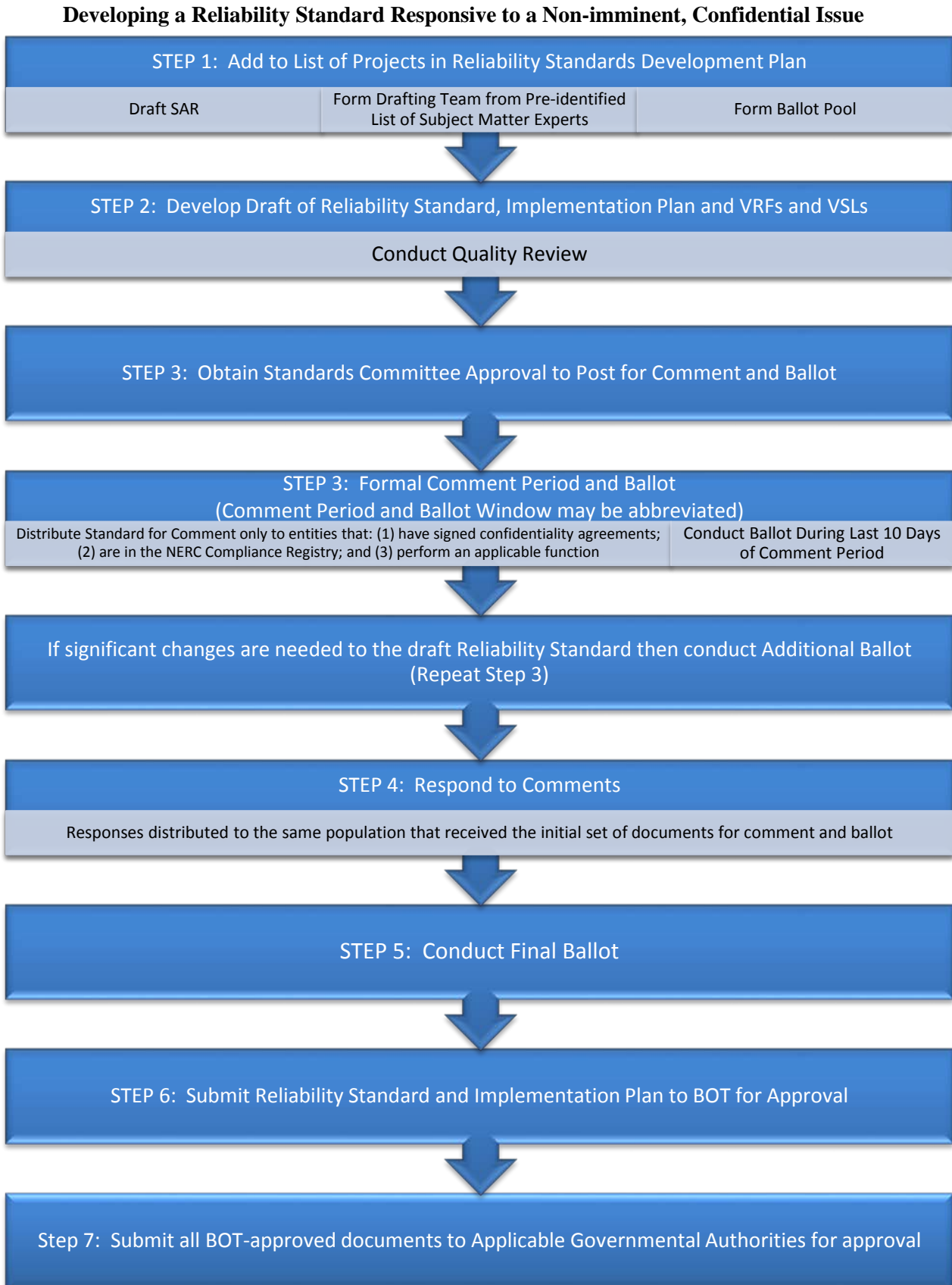
Each Reliability Standard, implementation plan, and the associated VRFs and VSLs developed through this process shall be submitted to the NERC Board of Trustees for adoption.

### **10.14: Governmental Approvals**

All BOT-approved documents shall be filed for approval with Applicable Governmental Authorities.

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<sup>33</sup> In this phase of the process, only the proposed Reliability Standard shall be distributed to those entities expected to comply, not the rationale and justification for the Reliability Standard. Only the special drafting team members, who have the appropriate security credentials, shall have access to this rationale and justification.





**FIGURE 4: Developing a Standard Responsive to a Non-Imminent, Confidential Issue**

## Section 11.0: Process for Approving Supporting Documents

~~The NERC Standards Committee oversees the development and approval of documents identified as supporting documents to Reliability Standards approved by the Applicable Governmental Authority. The following types of documents are samples of the types of supporting documents that may be developed to enhance stakeholder understanding and implementation of a Reliability Standard. These Supporting documents may explain or facilitate implementation-understanding of Reliability Standards but do not themselves contain mandatory Requirements subject to compliance review. Any Requirements that are mandatory shall be incorporated into the Reliability Standard in the Reliability Standard development process.~~

~~While most supporting documents are developed by the standard drafting team working to develop the associated Reliability Standard, any entity may develop a supporting document associated with a Reliability Standard. This Section provides the mechanism by which any stakeholder may propose a supporting document to an approved Reliability Standard.~~

~~The Standards Committee shall authorize the posting of all supporting references<sup>34</sup> that are linked to an approved Reliability Standard. Prior to granting approval to post a supporting reference with a link to the associated Reliability Standard, the Standards Committee shall verify The process outlined in this section is designed so that each that the supporting document has had-receives stakeholder review to verify the accuracy of the technical content prior to being posted as a supporting document to an approved Reliability Standard. While the Standards Committee has the authority to approve the posting of each such reference, stakeholders, not the Standards Committee, verify the accuracy of the document's contents.~~

### **11.1: Types of Supporting Documents**

~~The types of supporting documents that may be approved under this Section are listed below.~~

Type of Document	Description
Reference	<del>Descriptive, technical information or analysis or explanatory information to support the understanding and interpretation of an approved 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.</del>
<del>Guideline</del>	<del>Recommended process that identifies a method of meeting a Requirement under specific conditions.</del>
<del>Supplement</del>	<del>Data forms, pro forma documents, and associated instructions that support the implementation of a Reliability Standard.</del>
<del>Training Material</del>	<del>Documents that support the implementation of a Reliability Standard.</del>

~~<sup>34</sup>The Standards Committee's Procedure for Approving the Posting of Reference Documents is posted on the Reliability Standards Resources web page.~~

## Process for Approving Supporting Documents

<u>Procedure</u>	<u>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.</u>
<u>Lessons Learned</u>	<u>Documents designed to convey lessons learned related to an approved Reliability Standard. A Lessons Learned document is not intended to establish new Requirements under NERC’s Reliability Standards or to modify Requirements in any existing Reliability Standards.</u>
<u>White Paper</u>	<u>An informal paper stating a position or concept. A white paper may <del>have been</del> used to propose preliminary concepts for a Reliability Standard or <del>one of the documents above</del> a <u>Reference document</u>.</u>

Supporting documents do not include documents that contain specific compliance approaches or examples of compliance. Such documents would be developed in accordance with the applicable NERC Compliance Monitoring and Enforcement Program process.

### **11.2: Process for Proposing and Evaluating Supporting Documents**

Proposals for supporting documents to approved Reliability Standards shall be submitted to the NERC Reliability Standards Staff.

NERC Staff shall conduct a review of the proposed supporting document. In performing this review, NERC Staff may consult any technical resources it deems appropriate. The purpose of this review is to determine whether the proposed supporting document meets the following three criteria:

1. the document is a type of supporting document subject to this Section, as described in Section 11.1;
2. the document is consistent with the purpose and intent of the associated Reliability Standard; and
3. the document has received adequate stakeholder review to assess its technical adequacy, such as through a NERC technical committee review process, public comment period(s) held during the development of the associated Reliability Standard, or other stakeholder review process.

Where NERC Staff determines that the proposed supporting document has met the three criteria specified above, NERC Staff shall submit the proposed supporting document to the Standards Committee as specified in Section 11.3 below.

Where NERC Staff determines that the proposed supporting document does not meet the first or second criteria specified above, NERC Staff shall notify the submitter that the document will not be posted as a supporting document under this Section. This notification shall be made in writing with an explanation of the basis for the decision. NERC Staff shall also notify the Standards Committee of this determination at the next regularly scheduled Standards Committee meeting.

Where NERC Staff determines that the proposed supporting document meets the first and second criteria, but has not yet received adequate stakeholder review under the third criteria, NERC Staff shall make a recommendation to the Standards Committee to authorize the posting of the proposed supporting document for stakeholder review to verify the accuracy of the technical content. This comment period shall be for 30 days, unless directed otherwise by the Standards Committee. Upon conclusion of the comment period, NERC Staff shall compile the comments and provide to the submitter for consideration. If the submitter

modifies the proposed supporting document based on stakeholder comments, NERC Staff may post the document for additional comment periods to provide for sufficient vetting and technical review.

### **11.3: Approving a Supporting Document**

Following its determination that the proposed supporting document has met the three criteria specified in Section 11.2, NERC Staff shall present the supporting document to the NERC Standards Committee with a recommendation regarding whether the Standards Committee should approve posting the supporting document with the approved Reliability Standard on the pertinent NERC website page(s).

## Section 12.0: Process for Correcting Errata

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From time to time, an error may be discovered in a Reliability Standard. Such errors may be corrected (i) following a Final Ballot prior to Board of Trustees adoption, (ii) following Board of Trustees adoption prior to filing with Applicable Governmental Authorities; and (iii) following filing with Applicable Governmental Authorities. If the Standards Committee agrees that the correction of the error does not change the scope or intent of the associated Reliability Standard, and agrees that the correction has no material impact on the end users of the Reliability Standard, then the correction shall be filed for approval with Applicable Governmental Authorities as appropriate. The NERC Board of Trustees has resolved to concurrently approve any errata approved by the Standards Committee.

## Section 13.0: Process for Conducting Periodic Reviews of Reliability Standards

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All Reliability Standards shall be reviewed at least once every ten years from the effective date of the Reliability Standard or the date of the latest Board of Trustees adoption to a revision of the Reliability Standard, whichever is later. If a Reliability Standard is approved by ANSI as an American National Standard, it shall be reviewed at least once every five years from the effective date of the Reliability Standard or the date of the latest Board of Trustees adoption to a revision of the Reliability Standard, whichever is later.

The *Reliability Standards Development Plan* shall include projects that address this five or ten-year review of Reliability Standards.

- If a Reliability Standard is nearing its five or ten-year review and has issues that need resolution, then the *Reliability Standards Development Plan* shall include a project for the complete review and associated revision of that Reliability Standard that includes addressing all outstanding governmental directives, all approved Interpretations, and all unresolved issues identified by stakeholders.
- If a Reliability Standard is nearing its five or ten-year review and there are no outstanding governmental directives, Interpretations, or unresolved stakeholder issues associated with that Reliability Standard, then the *Reliability Standards Development Plan* shall include a project solely for the “five-year review” of that Reliability Standard.

For a project that is focused solely on the five-year review, the Standards Committee shall appoint a review team of subject matter experts to review the Reliability Standard and recommend whether the American National Standard Institute-approved Reliability Standard should be reaffirmed, revised, or withdrawn. Each review team shall post its recommendations for a 45 calendar day formal stakeholder comment period and shall provide those stakeholder comments to the Standards Committee for consideration.

- If a review team recommends reaffirming a Reliability Standard, the Standards Committee shall submit the reaffirmation to the Board of Trustees for adoption and then to Applicable Governmental Authorities for approval. Reaffirmation does not require approval by stakeholder ballot.
- If a review team recommends modifying, or retiring a Reliability Standard, the team shall develop a SAR with such a proposal and the SAR shall be submitted to the Standards Committee for prioritization as a new project. Each existing Reliability Standard recommended for modification, or retirement shall remain in effect in accordance with the associated implementation plan until the action to modify or withdraw the Reliability Standard is approved by its ballot pool, adopted by the Board of Trustees, and approved by Applicable Governmental Authorities.

In the case of reaffirmation of a Reliability Standard, the Reliability Standard shall remain in effect until the next five or ten-year review or until the Reliability Standard is otherwise modified or withdrawn by a separate action.

## Section 14.0: Public Access to Reliability Standards Information

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### **14.1: Online Reliability Standards Information System**

The NERC Reliability Standards Staff shall maintain an electronic copy of information regarding currently proposed and currently in effect Reliability Standards. This information shall include current Reliability Standards in effect, proposed revisions to Reliability Standards, and proposed new Reliability 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.

### **14.2: Archived Reliability Standards Information**

The NERC Staff shall maintain a historical record of Reliability Standards information that is no longer maintained online. 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 Reliability Standard was no longer in effect. Archived records of Reliability Standards information shall be available electronically within 30 days following the receipt by the NERC Reliability Standards Staff of a written request.

## Section 15.0: Process for Updating Standard Processes

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### 15.1: Requests to Revise the Standard Processes Manual

Any person or entity may submit a request to modify one or more of the processes contained within this manual. The Standards Committee shall oversee the handling of each request. The Standards Committee shall prioritize all requests, merge related requests, and respond to each sponsor within 30 calendar days.

The Standards Committee shall post the proposed revisions for a 45 (calendar) day formal comment period. Based on the degree of consensus for the revisions, the Standards Committee shall:

- a. Submit the revised process or processes for ballot pool approval;
- b. Repeat the posting for additional inputs after making changes based on comments received;
- c. Remand the proposal to the sponsor 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 Reliability Standard, including the use of an Additional 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 submit to the Board a description of the basis for the changes, a summary of the comments received, and any minority views expressed in the comment and ballot process. The proposed revisions shall not be effective until approved by the NERC Board of Trustees and Applicable Governmental Authorities.



## Section 16.0: Waiver

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While it is NERC's intent to use its ANSI-accredited Reliability Standards development process for developing its Reliability Standards, NERC may need to develop a new or modified Reliability Standard, definition, Variance, or implementation plan under specific time constraints (such as to meet a time constrained regulatory directive) or to meet an urgent reliability issue such that there isn't sufficient time to follow all the steps in the normal Reliability Standards development process.

The Standards Committee may waive any of the provisions contained in this manual for good cause shown, but limited to the following circumstances:

- In response to a national emergency declared by the United States or Canadian government that involves the reliability of the Bulk Electric System or cyber attack on the Bulk Electric System;
- Where necessary to meet regulatory deadlines;
- Where necessary to meet deadlines imposed by the NERC Board of Trustees; or
- Where the Standards Committee determines that a modification to a proposed Reliability Standard or its Requirement(s), a modification to a defined term, a modification to an interpretation, or a modification to a variance has already been vetted by the industry through the standards development process or is so insubstantial that developing the modification through the processes contained in this manual will add significant time delay.

In no circumstances shall this provision be used to modify the requirements for achieving quorum or the voting requirements for approval of a standard.

A waiver request may be submitted to the Standards Committee by any entity or individual, including NERC committees or subgroups and NERC Staff. Prior to consideration of any waiver request, the Standards Committee must provide five business days notice to stakeholders.

Action on the waiver request will be included in the minutes of the Standards Committee. Following the approval of the Standards Committee to waive any provision of the Standard Process Manual, the Standards Committee will report this decision to the Standards Oversight and Technology Committee.<sup>35</sup> Actions taken pursuant to an approved waiver request will be posted on the Standard Project page and included in the next project announcement.

In addition, the Standards Committee shall report the exercise of this waiver provision to the Board of Trustees prior to adoption of the related Reliability Standard, Interpretation, definition or Variance.

Reliability Standards developed as a result of a waiver of any provision of the Standard Processes Manual shall not be filed with ANSI for approval as American National Standards.

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<sup>35</sup> Any entity may appeal a waiver decision or any other procedural decision by the Standards Committee pursuant to Section 8.0 of the NERC Standard Processes Manual.

# Unofficial Comment Form

## Revisions to the NERC Standard Processes Manual Appendix 3A to the NERC Rules of Procedure

**Do not** respond using this form, as it is provided for explanation only. Use the [electronic form](#) to provide comments on the revisions to the NERC Standard Processes Manual (SPM). The electronic comment form must be completed and submitted **by 8:00 p.m. Eastern, Wednesday, May 3, 2017**.

If you have questions, contact the Manager of Standards Information, [Chris Larson](#) (via email) or at (404) 446-9708.

### Background Information

Under the oversight of the NERC Standards Committee (SC), a small group consisting of Standards Committee Process Subcommittee (SCPS) members and NERC staff have reviewed specific sections of the SPM for the purpose of proposing revisions to clarify and improve existing language and processes. The following revisions, which are described briefly below and in the accompanying summary document, have been endorsed by the SCPS and the SC and are posted for ballot and comment:

#### Section 6.0 - Process for Conducting Field Tests

Revisions are proposed to increase coordination between the SC and the technical committees when field tests are conducted. The revisions were posted for informal comment from September 29, 2015 to October 28, 2015 (see September 2015 [summary of revisions](#)). In response to the comments, revisions were made to clarify roles and responsibilities.

#### Section 7.0 - Process for Developing an Interpretation

Revisions are proposed to improve the effectiveness and efficiency of the Interpretation process. Revisions are proposed to clarify language and specify that requests for approval of specific compliance approaches are not proper Interpretation requests. In addition, revisions are proposed to streamline the process for posting and balloting Interpretations.

#### Section 8.0 - Process for Appealing an Action or Inaction

Revisions are made to specify that an appellant may withdraw its Level 1 or Level 2 appeal by providing written notice to the NERC Director of Standards.

#### Section 11.0 - Process for Approving Supporting Documents

Revisions are proposed to clarify the scope of Section 11, define documents that may be considered supporting documents, and define in the SPM a more detailed process to be used for vetting proposed supporting documents before they may be posted alongside approved Reliability Standards.

### **Updates to Other Sections**

Updates are made to: (i) **Section 2.1** - Definition of a Reliability Standard, to reflect the current definition of the term used in the NERC Rules of Procedure; and (ii) **Section 3.7** - Governmental Authorities, to allow for the inclusion of federal and provincial governments of non-U.S. North American jurisdictions that may approve Reliability Standards in the future.

## Questions

### Section 6.0

1. Do you agree with the revisions to Section 6.0 of the SPM?

Yes

No

Comments:

2. Do you agree the technical committees (e.g., Operating Committee, Planning Committee, and Critical Infrastructure Protection Committee) should administer the Field Tests?

Yes

No

Comments:

3. Do you have any other comments concerning Section 6.0 of the SPM?

Comments:

### Section 7.0

4. Do you agree with the revisions to Section 7.0 of the SPM?

Yes

No

Comments:

5. Do you agree with the proposed process for posting and balloting Interpretations?

Yes

No

Comments:

6. Do you have any other comments concerning Section 7.0 of the SPM?

Comments:

## Section 11.0

7. Do you agree with the revisions to Section 11.0 of the SPM?

Yes

No

Comments:

8. Do you agree with the proposed process for vetting documents that may be posted as a supporting document to an approved Reliability Standard?

Yes

No

Comments:

9. Do you have any other comments concerning Section 11.0 of the SPM?

Comments:

## Other Revisions

10. Do you agree that an appellant should be able to withdraw its Level 1 or Level 2 appeal under Section 8 of the SPM by providing written notice to the NERC Director of Standards?

Yes

No

Comments:

11. Do you have any comments concerning the non-substantive updates to Sections 2.1 and 3.7 of the SPM?

Comments:

# Summary of Proposed Revisions to the NERC Standard Processes Manual

## Appendix 3A to the NERC Rules of Procedure

Revisions are proposed to Sections 2.1, 3.7, 6.0, 7.0, 8.0, and 11.0 of the [NERC Standard Processes Manual \(SPM\)](#), Appendix 3A to the NERC Rules of Procedure.

A redline of the proposed revisions is available on the [Revisions to the NERC SPM](#) page.

The proposed revisions are posted for a 45-day formal comment period from March 20, 2017 through May 3, 2017. An initial ballot will be conducted from April 24, 2017 – May 3, 2017. All comments should be submitted through the NERC [Standards Balloting and Commenting System \(SBS\)](#).

### Background Information

Under the oversight of the NERC Standards Committee (SC), a small group consisting of Standards Committee Process Subcommittee (SCPS) members and NERC staff have reviewed specific sections of the NERC SPM for the purpose of proposing revisions to clarify and improve existing language and processes. Below is a summary of the revisions, which have been endorsed by the SCPS and the SC and are posted for ballot and comment.

### Section 6.0 - Process for Conducting Field Tests

In March 2015, the SC endorsed developing draft revisions to the SC Charter and Section 6 of the SPM to develop more concise language and provide NERC's technical committees with additional oversight and authority over the technical aspect of field tests associated with Standards Authorization Requests and standards projects. NERC staff, along with members of the NERC Operating Committee, Planning Committee, and Critical Infrastructure Protection Committee, worked together to develop the proposed revisions. The revisions were posted for informal comment from September 29, 2015 through October 28, 2015. In response to comments, revisions were made to clarify roles, responsibilities, and process steps.

Section 6.1 is revised to streamline the requirements for field tests to validate concepts that support the development of requirements (current Section 6.1) and field tests of technical concepts in a proposed new or revised Reliability Standard (current Section 6.2). Three new subsections are created:

Proposed Section 6.1.1 summarizes the requirements for seeking approval of a field test. Under the proposed revisions, the requesting team must first identify a NERC technical committee to lead the effort to conduct the field test and seek approval from that technical committee to conduct the field test before seeking SC approval. The technical committee shall provide the SC with a recommendation regarding approval.

Proposed Section 6.1.2 provides that the lead NERC technical committee overseeing the field test may stop or modify the field test if it determines that the field test activity poses a reliability risk to the Bulk Power System. Prior to restarting a stopped field test, the requesting team must receive approval from the lead NERC technical committee and the SC in accordance with proposed Section 6.1.1.

Proposed Section 6.1.3 describes that a field test may be continued, modified, or terminated in the event a conclusion cannot be formulated within the time allotted in the field test plan, subject to the approval of the lead technical committee overseeing the field test.

Proposed Section 6.2 clarifies the processes governing communication and coordination for field tests. The proposed revisions clarify the process for seeking, approving, and making notifications with respect to compliance waivers for participating entities unable to comply with currently-enforceable Reliability Standards due to their participation in the field test. Proposed Section 6.2 also contains requirements for reporting on field test progress and results, including requirements to keep the NERC Board of Trustees informed regarding new and ongoing field tests and any requested compliance waivers.

## **Section 7.0 - Process for Developing an Interpretation**

Revisions are proposed to improve the organization of the section. Additional revisions are proposed to clarify language regarding what constitutes a valid Interpretation, including clarifying that requests for approval of specific compliance approaches are not proper Interpretation requests and should instead be pursued through the applicable NERC and Regional Entity guidance processes (Section 7.2.1).

Recognizing that Interpretations provide clarity to existing standards and do not create new compliance obligations, revisions are proposed to streamline the process for posting and balloting Interpretations. Specifically, revisions are proposed to: (i) reduce the time for comment from 45 days to 30 days; (ii) eliminate the requirement for Interpretation drafting teams to respond in writing to each submitted comment; and (iii) eliminate the need for a separate final ballot following a successful initial or additional ballot.

## **Section 8.0 - Process for Appealing an Action or Inaction**

Revisions are proposed to Sections 8.1 and 8.2 to specify that an appellant may withdraw its Level 1 or Level 2 appeal by providing written notice to the NERC Director of Standards. These revisions, which are based on lessons learned from previous appeals, would allow an appellant to withdraw its appeal in the event the issue is resolved to the appellant's satisfaction prior to the formal conclusion of the appeal.

## **Section 11.0 - Process for Approving Supporting Documents**

Revisions are proposed to clarify that the scope of Section 11 is to define a process for approving the posting of supporting documents to approved Reliability Standards (i.e., Reliability Standards approved by applicable governmental authorities). New subsections are created to improve organization. The revisions are summarized as follows:

Section 11.1 defines the types of documents that may be posted as a supporting document to an approved Reliability Standard (Reference, Lessons Learned, White Paper). This section specifically excludes documents that contain specific compliance approaches, which are properly addressed through the applicable NERC and Regional Entity guidance processes.

Section 11.2 defines the process to be used to review and vet proposals for supporting documents. This process is designed so that each supporting document posted alongside an approved Reliability Standard: (i) is a Reference, Lessons Learned, or White Paper as defined in Section 11.1; (ii) is consistent with the purpose and intent of the associated Reliability Standard; and (iii) has had adequate stakeholder review to assess its technical adequacy. For example, stakeholders may have reviewed the document for technical adequacy during the standard development process for the associated standard. Alternatively, Section 11 provides a process for posting for stakeholder review those proposed supporting documents that have not yet been sufficiently vetted.

Section 11.3 provides for SC approval to post the supporting document along with the approved Reliability Standard on the NERC website.

## **Updates to Other Sections**

Updates are made to Section 2.1 - Definition of a Reliability Standard, to reflect the currently effective definition of this term in the NERC Rules of Procedure.

Updates are made to Section 3.7 - Governmental Authorities, to allow for the inclusion of federal and provincial governments of non-U.S. North American jurisdictions that may approve Reliability Standards in the future.



# Standards Announcement

## Reminder

### Standard Processes Manual Appendix 3A to the NERC Rules of Procedure

Initial Ballot Open through May 3, 2017

#### [Now Available](#)

An initial ballot is open through **8 p.m. Eastern, Wednesday, May 3, 2017** for the following sections of the Standard Processes Manual (SPM):

- Section 2.1 - Definition of a Reliability Standard;
- Section 3.7 - Governmental Authorities;
- Section 6.0 - Process for Conducting Field Tests;
- Section 7.0 - Process for Developing an Interpretation;
- Section 8.0 - Process for Appealing an Action or Inaction; and
- Section 11.0 - Process for Approving Supporting Documents.

#### **Balloting**

Members of the ballot pool associated with this project may log in and submit their vote for the SPM sections by clicking [here](#). If you experience any difficulties in using the electronic form, contact [Nasheema Santos](#).

*If you are having difficulty accessing the SBS due to a forgotten password, incorrect credential error messages, or system lock-out, contact NERC IT support directly at <https://support.nerc.net/> (Monday – Friday, 8 a.m. - 5 p.m. Eastern).*

- *Passwords expire every **6 months** and must be reset.*
- *The SBS **is not** supported for use on mobile devices.*
- *Please be mindful of ballot and comment period closing dates. We ask to **allow at least 48 hours** for NERC support staff to assist with inquiries. Therefore, it is recommended that users try logging into their SBS accounts **prior to the last day** of a comment/ballot period.*

#### **Next Steps**

The ballot results will be announced and posted on the SPM page. NERC will review all responses received during the comment period and determine the next steps of the project.

For more information on the Standards Development Process, refer to the [Standard Processes Manual](#).

For more information or assistance, contact Manager of Standards Information, [Chris Larson](#) (via email), or at (404) 446-9708.

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# Standards Announcement

## Standard Processes Manual Appendix 3A to the NERC Rules of Procedure

**Formal Comment Period Open through May 3, 2017**  
**Ballot Pool Forming through April 18, 2017**

### [Now Available](#)

A 45-day formal comment period is open through **8 p.m. Eastern, Wednesday, May 3, 2017** for the following sections of the Standard Processes Manual (SPM), Appendix 3A to the NERC Rules of Procedure:

- Section 2.1 - Definition of a Reliability Standard;
- Section 3.7 - Governmental Authorities;
- Section 6.0 - Process for Conducting Field Tests;
- Section 7.0 - Process for Developing an Interpretation’
- Section 8.0 - Process for Appealing an Action or Inaction; and
- Section 11.0 - Process for Approving Supporting Documents.

### Commenting

Use the [electronic form](#) to submit comments on the SPM. If you experience any difficulties using the electronic form, contact [Nasheema Santos](#). An unofficial Word version of the comment form is posted on the [project page](#).

### Join the Ballot Pool

The ballot pool is being formed through **8 p.m. Eastern, Tuesday, April 18, 2017**. Registered Ballot Body members may join the ballot pool [here](#).

*If you are having difficulty accessing the SBS due to a forgotten password, incorrect credential error messages, or system lock-out, contact NERC IT support directly at <https://support.nerc.net/> (Monday – Friday, 8 a.m. - 5 p.m. Eastern).*

- *Passwords expire every **6 months** and must be reset.*
- *The SBS is **not** supported for use on mobile devices.*
- *Please be mindful of ballot and comment period closing dates. We ask to **allow at least 48 hours** for NERC support staff to assist with inquiries. Therefore, it is recommended that users try logging into their SBS accounts **prior to the last day** of a comment/ballot period.*

### Next Steps

An initial ballot on the revisions to the SPM sections specified above will be conducted April 24 – May 3, 2017.

For more information on the Standards Development Process, refer to the [Standard Processes Manual](#).

For more information or assistance, contact Manager of Standards Information, [Chris Larson](#) (via email), or (404) 446-9708.

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## BALLOT RESULTS

Comment: [View Comment Results \(/CommentResults/Index/87\)](#)

**Ballot Name:** NERC Standard Processes Manual Sections 2.1, 3.7, 6, 7, 8 & 11 IN 1 OT

**Voting Start Date:** 4/24/2017 12:01:00 AM

**Voting End Date:** 5/3/2017 8:00:00 PM

**Ballot Type:** OT

**Ballot Activity:** IN

**Ballot Series:** 1

**Total # Votes:** 140

**Total Ballot Pool:** 178

**Quorum:** 78.65

**Weighted Segment Value:** 64.72

Segment	Ballot Pool	Segment Weight	Affirmative Votes	Affirmative Fraction	Negative Votes w/ Comment	Negative Fraction w/ Comment	Negative Votes w/o Comment	Abstain	No Vote
Segment: 1	46	1	19	0.655	10	0.345	0	4	13
Segment: 2	4	0.3	2	0.2	1	0.1	0	0	1
Segment: 3	38	1	16	0.64	9	0.36	0	3	10
Segment: 4	13	1	5	0.5	5	0.5	0	1	2
Segment: 5	38	1	17	0.607	11	0.393	0	4	6
Segment: 6	30	1	12	0.545	10	0.455	0	3	5
Segment: 7	0	0	0	0	0	0	0	0	0
Segment: 8	2	0.2	2	0.2	0	0	0	0	0
Segment: 9	0	0	0	0	0	0	0	0	0
Segment: 10	7	0.6	6	0.6	0	0	0	0	1

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Segment	Ballot Pool	Segment Weight	Affirmative Votes	Affirmative Fraction	Negative Votes w/ Comment	Negative Fraction w/ Comment	Negative Votes w/o Comment	Abstain	No Vote
Totals:	178	6.1	79	3.948	46	2.152	0	15	38

### BALLOT POOL MEMBERS

Show   entries

Search:

Segment	Organization	Voter	Designated Proxy	Ballot	NERC Memo
1	AEP - AEP Service Corporation	paul johnson		Negative	Comments Submitted
1	Ameren - Ameren Services	Eric Scott		None	N/A
1	American Transmission Company, LLC	Lauren Price		Affirmative	N/A
1	APS - Arizona Public Service Co.	Michelle Amarantos		Affirmative	N/A
1	Associated Electric Cooperative, Inc.	Mark Riley		Negative	Comments Submitted
1	Austin Energy	Thomas Standifur		Affirmative	N/A
1	Balancing Authority of Northern California	Kevin Smith	Joe Tarantino	Affirmative	N/A
1	Berkshire Hathaway Energy - MidAmerican Energy Co.	Terry Harbour		None	N/A
1	Black Hills Corporation	Wes Wingen		None	N/A
1	Bonneville Power Administration	Kammy Rogers-Holliday		Affirmative	N/A
1	City Utilities of Springfield, Missouri	Michael Buyce		Affirmative	N/A

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Segment	Organization	Voter	Designated Proxy	Ballot	NERC Memo
1	Cleco Corporation	John Lindsey	Louis Guidry	Negative	Third-Party Comments
1	Con Ed - Consolidated Edison Co. of New York	Daniel Grinkevich		Affirmative	N/A
1	Duke Energy	Laura Lee		None	N/A
1	Edison International - Southern California Edison Company	Steven Mavis		Negative	Comments Submitted
1	Entergy - Entergy Services, Inc.	Oliver Burke		Affirmative	N/A
1	Eversource Energy	Quintin Lee		None	N/A
1	Exelon	Chris Scanlon		Affirmative	N/A
1	FirstEnergy - FirstEnergy Corporation	Aubrey Short		Affirmative	N/A
1	Great Plains Energy - Kansas City Power and Light Co.	James McBee	Douglas Webb	Negative	Comments Submitted
1	Hydro One Networks, Inc.	Payam Farahbakhsh		Affirmative	N/A
1	Hydro-Quebec TransEnergie	Nicolas Turcotte		None	N/A
1	Imperial Irrigation District	Jesus Sammy Alcaraz		None	N/A
1	International Transmission Company Holdings Corporation	Michael Moltane	Allie Gavin	Abstain	N/A
1	Lakeland Electric	Larry Watt		Negative	Comments Submitted
1	Long Island Power Authority	Robert Ganley		None	N/A
1	Los Angeles Department of Water and Power	faranak sarbaz		Affirmative	N/A
1	LS Power Transmission, LLC	John Seelke		Negative	Comments Submitted
1	Manitoba Hydro	Mike Smith		Abstain	N/A
1	National Grid USA	Eric Jones		Affirmative	N/A

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Segment	Organization	Voter	Designated Proxy	Ballot	NERC Memo
1	Nebraska Public Power District	Jamison Cawley		Affirmative	N/A
1	New York Power Authority	Salvatore Spagnolo		Affirmative	N/A
1	OGE Energy - Oklahoma Gas and Electric Co.	Terri Pyle		None	N/A
1	Peak Reliability	Scott Downey		None	N/A
1	Portland General Electric Co.	Nathaniel Clague		None	N/A
1	PPL Electric Utilities Corporation	Brenda Truhe		Negative	Comments Submitted
1	PSEG - Public Service Electric and Gas Co.	Joseph Smith		None	N/A
1	Sacramento Municipal Utility District	Arthur Starkovich	Joe Tarantino	Affirmative	N/A
1	Santee Cooper	Shawn Abrams		Abstain	N/A
1	Southern Company - Southern Company Services, Inc.	Katherine Prewitt		Negative	Comments Submitted
1	Sunflower Electric Power Corporation	Paul Mehlhaff		None	N/A
1	Tacoma Public Utilities (Tacoma, WA)	John Merrell		Abstain	N/A
1	Tennessee Valley Authority	Howell Scott		Affirmative	N/A
1	Tri-State G and T Association, Inc.	Tracy Sliman		Negative	Comments Submitted
1	U.S. Bureau of Reclamation	Richard Jackson		Affirmative	N/A
1	Western Area Power Administration	sean erickson		Affirmative	N/A
2	Electric Reliability Council of Texas, Inc.	Elizabeth Axson		Negative	Comments Submitted
2	New York Independent System Operator	Gregory Campoli		None	N/A
2	Monticello Transmission LLC	David Holman		Affirmative	N/A



Segment	Organization	Voter	Designated Proxy	Ballot	NERC Memo
2	Southwest Power Pool, Inc. (RTO)	Charles Yeung		Affirmative	N/A
3	AEP	Aaron Austin		Negative	Comments Submitted
3	Ameren - Ameren Services	David Jendras		None	N/A
3	APS - Arizona Public Service Co.	Vivian Vo		Affirmative	N/A
3	Associated Electric Cooperative, Inc.	Todd Bennett		None	N/A
3	Austin Energy	W. Dwayne Preston		Affirmative	N/A
3	Bonneville Power Administration	Rebecca Berdahl		Affirmative	N/A
3	Cleco Corporation	Michelle Corley	Louis Guidry	Negative	Third-Party Comments
3	Con Ed - Consolidated Edison Co. of New York	Peter Yost		Affirmative	N/A
3	Dominion - Dominion Resources, Inc.	Connie Lowe		Affirmative	N/A
3	DTE Energy - Detroit Edison Company	Karie Barczak		None	N/A
3	Duke Energy	Lee Schuster		Affirmative	N/A
3	Edison International - Southern California Edison Company	Romel Aquino		Negative	Comments Submitted
3	Eversource Energy	Sharon Flannery		None	N/A
3	Exelon	John Bee		Affirmative	N/A
3	FirstEnergy - FirstEnergy Corporation	Theresa Ciancio		Affirmative	N/A
3	Florida Municipal Power Agency	Joe McKinney		Negative	Comments Submitted
3	Gainesville Regional Utilities	Ken Simmons		Negative	Comments Submitted

Segment	Organization	Voter	Designated Proxy	Ballot	NERC Memo
3	Georgia System Operations Corporation	Scott McGough		None	N/A
3	Great Plains Energy - Kansas City Power and Light Co.	Jessica Tucker	Douglas Webb	Negative	Comments Submitted
3	Hydro One Networks, Inc.	Paul Malozewski		Affirmative	N/A
3	Manitoba Hydro	Karim Abdel-Hadi		Abstain	N/A
3	National Grid USA	Brian Shanahan		Affirmative	N/A
3	Nebraska Public Power District	Tony Eddleman		Affirmative	N/A
3	Ocala Utility Services	Randy Hahn		Negative	Comments Submitted
3	OGE Energy - Oklahoma Gas and Electric Co.	Donald Hargrove		None	N/A
3	Owensboro Municipal Utilities	Thomas Lyons		Affirmative	N/A
3	Platte River Power Authority	Jeff Landis		Affirmative	N/A
3	Portland General Electric Co.	Angela Gaines		None	N/A
3	PPL - Louisville Gas and Electric Co.	Charles Freibert		Negative	Comments Submitted
3	PSEG - Public Service Electric and Gas Co.	James Meyer		None	N/A
3	Puget Sound Energy, Inc.	Tim Womack		None	N/A
3	Sacramento Municipal Utility District	Nicole Looney	Joe Tarantino	Affirmative	N/A
3	Santee Cooper	James Poston		Abstain	N/A
3	Southern Company - Alabama Power Company	R. Scott Moore		Negative	Comments Submitted
3	Tacoma Public Utilities (Tacoma, WA)	Marc Donaldson		Abstain	N/A
3	Tallahassee Electric (City of Tallahassee, FL)	John Williams		None	N/A

Segment	Organization	Voter	Designated Proxy	Ballot	NERC Memo
3	Tennessee Valley Authority	Ian Grant		Affirmative	N/A
3	WEC Energy Group, Inc.	Thomas Breene		Affirmative	N/A
4	Alliant Energy Corporation Services, Inc.	Kenneth Goldsmith		Affirmative	N/A
4	Austin Energy	Tina Garvey		Affirmative	N/A
4	City of Clewiston	Lynne Mila		Negative	Comments Submitted
4	FirstEnergy - FirstEnergy Corporation	Aaron Ghodooshim		Affirmative	N/A
4	Florida Municipal Power Agency	Carol Chinn		Negative	Comments Submitted
4	Georgia System Operations Corporation	Andrea Barclay		None	N/A
4	Illinois Municipal Electric Agency	Bob Thomas		Negative	Comments Submitted
4	Keys Energy Services	Jeffrey Partington	Brandon McCormick	Negative	Comments Submitted
4	MGE Energy - Madison Gas and Electric Co.	Joseph DePoorter		Affirmative	N/A
4	Sacramento Municipal Utility District	Beth Tincher	Joe Tarantino	Affirmative	N/A
4	Seminole Electric Cooperative, Inc.	Michael Ward		Negative	Comments Submitted
4	Tacoma Public Utilities (Tacoma, WA)	Hien Ho		Abstain	N/A
4	Utility Services, Inc.	Brian Evans-Mongeon		None	N/A
5	AEP	Thomas Foltz		Negative	Comments Submitted
5	Ameren - Ameren Missouri	Sam Dwyer		None	N/A
5	APS - Arizona Public Service Co.	Stephanie Little		Affirmative	N/A
5	Austin Energy	Jeanie Doty		Affirmative	N/A
5	Black Hills Corporation	George Tatar		None	N/A

Segment	Organization	Voter	Designated Proxy	Ballot	NERC Memo
5	Bonneville Power Administration	Francis Halpin		Affirmative	N/A
5	Brazos Electric Power Cooperative, Inc.	Shari Heino		None	N/A
5	Choctaw Generation Limited Partnership, LLLP	Rob Watson		Negative	Third-Party Comments
5	Cleco Corporation	Stephanie Huffman	Louis Guidry	Negative	Third-Party Comments
5	Con Ed - Consolidated Edison Co. of New York	Brian O'Boyle		Affirmative	N/A
5	Dominion - Dominion Resources, Inc.	Lou Oberski		Affirmative	N/A
5	DTE Energy - Detroit Edison Company	Jeffrey DePriest		None	N/A
5	Duke Energy	Dale Goodwine		Affirmative	N/A
5	Edison International - Southern California Edison Company	Thomas Rafferty		Negative	Comments Submitted
5	Exelon	Ruth Miller		Affirmative	N/A
5	FirstEnergy - FirstEnergy Solutions	Robert Loy		Affirmative	N/A
5	Florida Municipal Power Agency	David Schumann		Negative	Comments Submitted
5	Great Plains Energy - Kansas City Power and Light Co.	Harold Wyble	Douglas Webb	Negative	Comments Submitted
5	Great River Energy	Preston Walsh		Negative	Third-Party Comments
5	Lakeland Electric	Jim Howard		Negative	Third-Party Comments
5	Los Angeles Department of Water and Power	Kenneth Silver		Affirmative	N/A
5	Lower Colorado River Authority	Wesley Maurer		Affirmative	N/A
5	Manitoba Hydro	Yuguang Xiao		Abstain	N/A

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Segment	Organization	Voter	Designated Proxy	Ballot	NERC Memo
5	Massachusetts Municipal Wholesale Electric Company	David Gordon		Abstain	N/A
5	Nebraska Public Power District	Don Schmit		Affirmative	N/A
5	NiSource - Northern Indiana Public Service Co.	Sarah Gasienica		Affirmative	N/A
5	OGE Energy - Oklahoma Gas and Electric Co.	John Rhea		None	N/A
5	Ontario Power Generation Inc.	David Ramkalawan		Negative	Comments Submitted
5	Platte River Power Authority	Tyson Archie		Affirmative	N/A
5	Portland General Electric Co.	Ryan Olson		Abstain	N/A
5	PPL - Louisville Gas and Electric Co.	Dan Wilson		Negative	Comments Submitted
5	Puget Sound Energy, Inc.	Eleanor Ewry		None	N/A
5	Sacramento Municipal Utility District	Susan Oto	Joe Tarantino	Affirmative	N/A
5	Santee Cooper	Tommy Curtis		Abstain	N/A
5	Southern Company - Southern Company Generation	William D. Shultz		Negative	Comments Submitted
5	U.S. Bureau of Reclamation	Wendy Center		Affirmative	N/A
5	WEC Energy Group, Inc.	Linda Horn		Affirmative	N/A
5	Xcel Energy, Inc.	David Lemmons	Amy Casuscelli	Affirmative	N/A
6	AEP - AEP Marketing	Dan Ewing		Negative	Comments Submitted
6	APS - Arizona Public Service Co.	Bobbi Welch		Affirmative	N/A
6	Austin Energy	Andrew Gallo		Affirmative	N/A
6	Berkshire Hathaway - PacifiCorp	Sandra Shaffer		None	N/A

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Segment	Organization	Voter	Designated Proxy	Ballot	NERC Memo
6	Black Hills Corporation	Eric Scherr		None	N/A
6	Bonneville Power Administration	Andrew Meyers		Affirmative	N/A
6	Cleco Corporation	Robert Hirschak	Louis Guidry	Negative	Third-Party Comments
6	Con Ed - Consolidated Edison Co. of New York	Robert Winston		Affirmative	N/A
6	Dominion - Dominion Resources, Inc.	Sean Bodkin		Affirmative	N/A
6	Duke Energy	Greg Cecil		Affirmative	N/A
6	Edison International - Southern California Edison Company	Kenya Streeter		Negative	Comments Submitted
6	Entergy	Julie Hall		Affirmative	N/A
6	Exelon	Becky Webb		Affirmative	N/A
6	FirstEnergy - FirstEnergy Solutions	Ann Ivanc		Affirmative	N/A
6	Florida Municipal Power Agency	Richard Montgomery		Negative	Comments Submitted
6	Florida Municipal Power Pool	Tom Reedy		Negative	Comments Submitted
6	Great Plains Energy - Kansas City Power and Light Co.	Chris Bridges	Douglas Webb	Negative	Comments Submitted
6	Los Angeles Department of Water and Power	Anton Vu		None	N/A
6	Manitoba Hydro	Blair Mukanik		Abstain	N/A
6	OGE Energy - Oklahoma Gas and Electric Co.	Sing Tay		None	N/A
6	Portland General Electric Co.	Daniel Mason		Abstain	N/A
6	PPL - Louisville Gas and Electric Co.	Linn Oelker		Negative	Comments Submitted
6	PSEG - PSEG Energy Resources and Trade, LLC	Karla Barton	Luigi Beretta	None	N/A

Segment	Organization	Voter	Designated Proxy	Ballot	NERC Memo
6	Public Utility District No. 2 of Grant County, Washington	LeRoy Patterson		Negative	Comments Submitted
6	Sacramento Municipal Utility District	Jamie Cutlip	Joe Tarantino	Affirmative	N/A
6	Santee Cooper	Michael Brown		Abstain	N/A
6	Seminole Electric Cooperative, Inc.	Trudy Novak		Negative	Comments Submitted
6	Southern Company - Southern Company Generation and Energy Marketing	Jennifer Sykes		Negative	Comments Submitted
6	Tennessee Valley Authority	Marjorie Parsons		Affirmative	N/A
6	WEC Energy Group, Inc.	Scott Hoggatt		Affirmative	N/A
8	David Kiguel	David Kiguel		Affirmative	N/A
8	Massachusetts Attorney General	Frederick Plett		Affirmative	N/A
10	Florida Reliability Coordinating Council	Peter Heidrich		Affirmative	N/A
10	Midwest Reliability Organization	Russel Mountjoy		None	N/A
10	New York State Reliability Council	ALAN ADAMSON		Affirmative	N/A
10	ReliabilityFirst	Anthony Jablonski		Affirmative	N/A
10	SERC Reliability Corporation	David Greene		Affirmative	N/A
10	Texas Reliability Entity, Inc.	Rachel Coyne		Affirmative	N/A
10	Western Electricity Coordinating Council	Steven Rueckert		Affirmative	N/A

Previous  Next

Showing 1 to 178 of 178 entries





# Standards Announcement

## Standard Processes Manual Appendix 3A to the NERC Rules of Procedure

**Formal Comment Period Open through May 3, 2017**  
**Ballot Pool Forming through April 18, 2017**

### [Now Available](#)

A 45-day formal comment period is open through **8 p.m. Eastern, Wednesday, May 3, 2017** for the following sections of the Standard Processes Manual (SPM), Appendix 3A to the NERC Rules of Procedure:

- Section 2.1 - Definition of a Reliability Standard;
- Section 3.7 - Governmental Authorities;
- Section 6.0 - Process for Conducting Field Tests;
- Section 7.0 - Process for Developing an Interpretation’
- Section 8.0 - Process for Appealing an Action or Inaction; and
- Section 11.0 - Process for Approving Supporting Documents.

### Commenting

Use the [electronic form](#) to submit comments on the SPM. If you experience any difficulties using the electronic form, contact [Nasheema Santos](#). An unofficial Word version of the comment form is posted on the [project page](#).

### Join the Ballot Pool

The ballot pool is being formed through **8 p.m. Eastern, Tuesday, April 18, 2017**. Registered Ballot Body members may join the ballot pool [here](#).

*If you are having difficulty accessing the SBS due to a forgotten password, incorrect credential error messages, or system lock-out, contact NERC IT support directly at <https://support.nerc.net/> (Monday – Friday, 8 a.m. - 5 p.m. Eastern).*

- *Passwords expire every **6 months** and must be reset.*
- *The SBS is **not** supported for use on mobile devices.*
- *Please be mindful of ballot and comment period closing dates. We ask to **allow at least 48 hours** for NERC support staff to assist with inquiries. Therefore, it is recommended that users try logging into their SBS accounts **prior to the last day** of a comment/ballot period.*

### Next Steps

An initial ballot on the revisions to the SPM sections specified above will be conducted April 24 – May 3, 2017.

For more information on the Standards Development Process, refer to the [Standard Processes Manual](#).

For more information or assistance, contact Manager of Standards Information, [Chris Larson](#) (via email), or (404) 446-9708.

North American Electric Reliability Corporation  
3353 Peachtree Rd, NE  
Suite 600, North Tower  
Atlanta, GA 30326  
404-446-2560 | [www.nerc.com](http://www.nerc.com)

## Comment Report

**Project Name:** NERC Standard Processes Manual | Sections 2.1, 3.7, 6, 7, 8 & 11  
**Comment Period Start Date:** 3/20/2017  
**Comment Period End Date:** 5/3/2017  
**Associated Ballots:** NERC Standard Processes Manual Sections 2.1, 3.7, 6, 7, 8 & 11 IN 1 OT

There were 42 sets of responses, including comments from approximately 129 different people from approximately 92 companies representing 10 of the Industry Segments as shown in the table on the following pages.

## Questions

1. Do you agree with the revisions to Section 6.0 of the SPM?
2. Do you agree the technical committees (e.g., Operating Committee, Planning Committee, and Critical Infrastructure Protection Committee) should administer the Field Tests?
3. Do you have any other comments concerning Section 6.0 of the SPM?
4. Do you agree with the revisions to Section 7.0 of the SPM?
5. Do you agree with the proposed process for posting and balloting Interpretations?
6. Do you have any other comments concerning Section 7.0 of the SPM?
7. Do you agree with the revisions to Section 11.0 of the SPM?
8. Do you agree with the proposed process for vetting documents that may be posted as a supporting document to an approved Reliability Standard?
9. Do you have any other comments concerning Section 11.0 of the SPM?
10. Do you agree that an appellant should be able to withdraw its Level 1 or Level 2 appeal under Section 8 of the SPM by providing written notice to the NERC Director of Standards?
11. Do you have any comments concerning the non-substantive updates to Sections 2.1 and 3.7 of the SPM?

Organization Name	Name	Segment(s)	Region	Group Name	Group Member Name	Group Member Organization	Group Member Segment(s)	Group Member Region
ACES Power Marketing	Brian Van Gheem	6	NA - Not Applicable	ACES Standards Collaborators	Tara Lightner	Sunflower Electric Power Corporation	1	SPP RE
					Greg Froehling	Rayburn Country Electric Cooperative, Inc.	3	SPP RE
					Bob Solomon	Hoosier Energy Rural Electric Cooperative, Inc.	1	RF
					Mark Ringhausen	Mark Ringhausen	3,4	SERC
					John Shaver	Arizona Electric Power Cooperative, Inc.	1	WECC
					Bill Hutchison	Southern Illinois Power Cooperative	1	SERC
					Michael Brytowski	Great River Energy	1,3,5,6	MRO
					Ginger Mercier	Prairie Power, Inc.	1,3	SERC
					Laurel Heacock	Oglethorpe Power Corporation	5,6	SERC
					Kevin Lyons	Central Iowa Power Cooperative	1	MRO
Scott Brame	North Carolina Electric Membership Corporation	3,4,5	SERC					
Chris Gowder	Chris Gowder		FRCC	FMPA	Tim Beyrle	City of New Smyrna Beach	4	FRCC
					Jim Howard	Lakeland Electric	5	FRCC

					Lynne Mila	City of Clewiston	4	FRCC
					Javier Cisneros	Fort Pierce Utility Authority	3	FRCC
					Randy Hahn	Ocala Utility Services	3	FRCC
					Don Cuevas	Beaches Energy Services	1	FRCC
					Jeffrey Partington	Keys Energy Services	4	FRCC
					Tom Reedy	Florida Municipal Power Pool	6	FRCC
					Steve Lancaster	Beaches Energy Services	3	FRCC
					Mike Blough	Kissimmee Utility Authority	5	FRCC
					Mark Brown	City of Winter Park	4	FRCC
					Chris Adkins	City of Leesburg	3	FRCC
					Ginny Beigel	City of Vero Beach	9	FRCC
Duke Energy	Colby Bellville	1,3,5,6	FRCC,RF,SERC	Duke Energy	Doug Hills	Duke Energy	1	RF
					Lee Schuster	Duke Energy	3	FRCC
					Dale Goodwine	Duke Energy	5	SERC
					Greg Cecil	Duke Energy	6	RF
MGE Energy - Madison Gas and Electric Co.	Joseph DePoorter	4		MRO NSRF	Joseph DePoorter	MGE	1,2,3,4,5,6	MRO
					Joseph DePoorter	MGE	1,2,3,4,5,6	MRO
DTE Energy - Detroit Edison Company	Karie Barczak	3		DTE Energy - DTE Electric	Jeffrey Depriest	DTE Energy - DTE Electric	5	RF
					Daniel Herring	DTE Energy - DTE Electric	4	RF
					Karie Barczak	DTE Energy - DTE Electric	3	RF
Associated Electric	Mark Riley	1			Mark Riley	Associated Electric	1	SERC

Cooperative,  
Inc.

AECI &  
Member  
G&Ts

	Cooperative, Inc.		
Brian Ackermann	Associated Electric Cooperative, Inc.	6	SERC
Brad Haralson	Associated Electric Cooperative, Inc.	5	SERC
Todd Bennett	Associated Electric Cooperative, Inc.	3	SERC
Michael Bax	Central Electric Power Cooperative (Missouri)	1	SERC
Adam Weber	Central Electric Power Cooperative (Missouri)	3	SERC
Ted Hilmes	KAMO Electric Cooperative	3	SERC
Walter Kenyon	KAMO Electric Cooperative	1	SERC
Stephen Pogue	M and A Electric Power Cooperative	3	SERC
William Price	M and A Electric Power Cooperative	1	SERC
Mark Ramsey	N.W. Electric Power Cooperative, Inc.	1	SERC
Kevin White	Northeast Missouri Electric Power Cooperative	1	SERC
Skyler Wiegmann	Northeast Missouri Electric Power Cooperative	3	SERC
John Stickley	NW Electric Power	3	SERC

						Cooperative, Inc.		
					Jeff Neas	Sho-Me Power Electric Cooperative	3	SERC
					Peter Dawson	Sho-Me Power Electric Cooperative	1	SERC
Southern Company - Southern Company Services, Inc.	Pamela Hunter	1,3,5,6	SERC	Southern Company	Katherine Prewitt	Southern Company Services, Inc.	1	SERC
					R. Scott Moore	Alabama Power Company	3	SERC
					William D. Shultz	Southern Company Generation	5	SERC
					Jennifer G. Sykes	Southern Company Generation and Energy Marketing	6	SERC
Northeast Power Coordinating Council	Ruida Shu	1,2,3,4,5,6,7,8,9,10	NPCC	RSC no Dominion	Paul Malozewski	Hydro One.	1	NPCC
					Guy Zito	Northeast Power Coordinating Council	NA - Not Applicable	NPCC
					Randy MacDonald	New Brunswick Power	2	NPCC
					Wayne Sipperly	New York Power Authority	4	NPCC
					Glen Smith	Entergy Services	4	NPCC
					Brian Robinson	Utility Services	5	NPCC
					Bruce Metruck	New York Power Authority	6	NPCC
					Alan Adamson	New York State Reliability Council	7	NPCC



					Edward Bedder	Orange & Rockland Utilities	1	NPCC
					David Burke	Orange & Rockland Utilities	3	NPCC
					Michele Tondalo	UI	1	NPCC
					Sylvain Clermont	Hydro Quebec	1	NPCC
					Si Truc Phan	Hydro Quebec	2	NPCC
					Helen Lainis	IESO	2	NPCC
					Laura Mcleod	NB Power	1	NPCC
					Michael Forte	Con Edison	1	NPCC
					Kelly Silver	Con Edison	3	NPCC
					Peter Yost	Con Edison	4	NPCC
					Brian O'Boyle	Con Edison	5	NPCC
					Greg Campoli	NY-ISO	2	NPCC
					Michael Schiavone	National Grid	1	NPCC
					Michael Jones	National Grid	3	NPCC
					David Ramkalawan	Ontario Power Generation Inc.	5	NPCC
					Quintin Lee	Eversource Energy	1	NPCC
					Silvia Mitchell	NextEra Energy - Florida Power and Light Co.	6	NPCC
					Kathleen M. Goodman	ISO-NE	2	NPCC
Dominion - Dominion Resources, Inc.	Sean Bodkin	6		Dominion	Connie Lowe	Dominion - Dominion Resources, Inc.	3	NA - Not Applicable
					Lou Oberski	Dominion - Dominion Resources, Inc.	5	NA - Not Applicable
					Larry Nash	Dominion - Dominion Virginia Power	1	NA - Not Applicable

Southwest Power Pool, Inc. (RTO)	Shannon Mickens	2	SPP RE	SPP Standards Review Group	Shannon Mickens	Southwest Power Pool Inc.	2	SPP RE
					Deborah McEndafffer	Midwest Energy, Inc	NA - Not Applicable	NA - Not Applicable
					Robert Gray	Board of Public Utilities (BPU) Kansas City, Kansas	3	SPP RE
					Rober Hirschak	Cleco	1,3,5,6	SPP RE
					Ellen Watkins	Sunflower Electric Power Corporation	1	SPP RE
PPL NERC Registered Affiliates	Shelby Wade	1,3,5,6	RF,SERC	PPL NERC Registered Affiliates	Charlie Freibert	LG&E and KU Energy, LLC	3	SERC
					Brenda Truhe	PPL Electric Utilities Corporation	1	RF
					Dan Wilson	LG&E and KU Energy, LLC	5	SERC
					Linn Oelker	LG&E and KU Energy, LLC	6	SERC

**1. Do you agree with the revisions to Section 6.0 of the SPM?**

**LeRoy Patterson - Public Utility District No. 2 of Grant County, Washington - 6**

**Answer** No

**Document Name**

**Comment**

The new Section 6.2 "Communication and Coordination for All Types of Field Tests" states "After approval of the field test, the drafting team may request waivers of compliance for field test participants ...". This language leaves no room to identify and request waivers of compliance (waivers) at the time the field test is requested, when such waivers are known to be required as part conducting an effective field test.

Waivers necessary for successful field test data collection, if known, should be identified at the time a field test is requested because such information informs the field test approval process. Further, if waivers are needed as part of a field test, then not receiving approval for them would render the field test ineffective and make a request for a field test inappropriate.

Likes 2 Public Utility District No. 2 of Grant County, Washington, 5, Ybarra Alex; Public Utility District No. 2 of Grant County, Washington, 4, McMackin Yvonne

Dislikes 0

**Response**

**Shelby Wade - PPL NERC Registered Affiliates - 1,3,5,6 - SERC,RF, Group Name PPL NERC Registered Affiliates**

**Answer** No

**Document Name**

**Comment**

Section 6.1.2 (Field Test Suspension for Reliability Concerns) sets forth the process related to situations in which the field test is stopped or modified because it is creating a reliability risk to the Bulk Power System. It provides that in order for a field test to be restarted after being stopped, the drafting team must resubmit the filed test request and receive approval. However, it is unclear whether modification (not stoppage) would require resubmittal per Section 6.1.1 (Field Test Approval). If modification of the activity would also require resubmittal of the field test request, then the last sentence contained in Section 6.1.2 should be revised as follows: "Prior to the field test being restarted after it has been stopped or modified, the drafting team must resubmit the field test request and receive approval as outlined in Section 6.1.1."

With regard to the public posting of the field test plan and reports and results, the last sentence in the proposed Section 6.2 (Communication and Coordination for All Types of Field Tests) should be revised to provide for a deliberate consideration of potential impact on security and reliability. The sentence should be revised as follows: "The filed test plan and all reports and results (including the participant list) shall be publicly posted on the NERC web site, unless it is determined that such public posting would present reliability, confidentiality, or other concerns."

Likes 0

Dislikes 0

**Response**

**Michelle Amarantos - APS - Arizona Public Service Co. - 1**

**Answer** No

**Document Name**

**Comment**

The added sentence on the first paragraph of section 6 should be revised to clarify that if a field test is run, drafting teams are required to analyze the collected data.

Likes 0

Dislikes 0

**Response**

**Michael Haff - Seminole Electric Cooperative, Inc. - 1,3,4,5,6 - FRCC**

**Answer** No

**Document Name**

**Comment**

Adopt the comments of the National Rural Electric Cooperative Association (NRECA).

Additionally, concerning the major changes to Section 6.0 starting on page 28:

- a. Before any field tests are performed, a cost/benefit analysis of any resulting regulation should be performed;
- b. All communications between the drafting team, NERC, and any testing contractors (or other related parties), should be publicly available unless they meet CEII, NERC CIP restricted, etc.; and
- c. There should be the potential for a peer-review process of any field test results.

Likes 0

Dislikes 0

**Response**

**Deborah VanDeventer - Edison International - Southern California Edison Company - 1,3,5,6 - WECC**

**Answer** No

**Document Name**

**Comment**

SCE has concerns regarding the proposed revisions to Section 6, the “Process for Conducting field Tests”. The last sentence of the first paragraph in Section 6.0 states that “drafting teams are not required to collect and analyze data or to conduct a field test to validate a Reliability Standard.” This sentence is open to interpretation and should be clarified that drafting teams are accountable to conduct a field test when required to do so by an approved SAR. Additionally, in the event that a field test has the ability to expose the grid to reliability concern or does not provide sufficient information to formulate a conclusion, as identified in revision to Section 6.1.2 and 6.1.3, SCE believes the entire project should be recommended for withdrawal. Instead, the proposed revision gives the SDT the capability to move a project forward by terminating a field test with the approval of the lead NERC technical committee and only provide notification to the Standards Committee chair. In an extreme circumstance this could end with a new/ revised standard, with a failed or incomplete field test, moving onto the balloting phase of the standards development lifecycle. In this manner, the new language to Section 6 transfers the ultimate authority for the development of a standard from the Standards Committee, which approved a SAR with contingencies, to the lead NERC technical committee which may lack proper representation of the affected industry segments. SCE recognizes not every standard or requirement requires a field test, but in those rare instances where a field test is necessary to properly develop a standard and/ or requirement(s), as indicated by an approved SAR, the Standards Process Manual should not include provisions for a drafting team to fail to perform the field test.

Likes 0

Dislikes 0

**Response**

**Romel Aquino - Edison International - Southern California Edison Company - 3**

**Answer** No

**Document Name**

**Comment**

Please refer to comments submitted by Deborah VanDeventer on behalf of Southern California Edison.

Likes 0

Dislikes 0

**Response**

**Mark Riley - Associated Electric Cooperative, Inc. - 1, Group Name AECI & Member G&Ts**

**Answer** No

**Document Name**

**Comment**

AECI & its member G&Ts support the National Rural Electric Cooperative Association's comments listed below:

Is the current SAR form set up properly for a field test-only request? It's unclear to us if it is.

In 6.1, the second and third bullet, in the second bullet it states that the technical committee “oversees” the field test and then the in the third bullet it states that the field test is “conducted” by the drafting team. We believe this language is confusing on roles and responsibilities – what is the difference

between “oversees” and “conducted” as used in these bullets? We believe that this needs to be clarified in this section so that the drafting team and the technical committee clearly understand their roles and responsibilities.

In 6.1.1, the first paragraph on page 29 of the redline, second sentence, the following language should be added at the end of the sentence “prior to conducting a field test.”

In the second paragraph on page 29 of the redline, first line, it’s unclear what “technical adequacy” means in this context. This should be explained further in this paragraph. In the same paragraph, 5th line, who is intended to receive the “communicating status” of the results of the field test? This should be made clear in this paragraph.

In the third paragraph on page 29 of the redline, first line, it states that the SC’s decision to approve the field test “shall be based solely.....” when the SC votes on the technical committee’s recommendation. Is the SC voting on process or technical issues here? It seems the SC should only be voting on process, not on evaluating technical issues. This paragraph might need to be revised to clarify what the SC is approving here as it relates to the authorities in the SC charter and other governing documents.

In Section 6.1.2, first sentence, the beginning of the sentence should be changed to “During the field test *being conducted by the drafting team.....*” (new text is in italics and underlined)

On page 30 of the redline, in the new 6.2, first sentence, the following new text should be added – “After approval of the field test, *but prior to the start,.....*” (new text is in italics and underlined.) Also on the 9th line of this paragraph the following new text should be added to “responsible for approving any modifications or terminations, *prior to any compliance PV’s that could be issued otherwise,.....*” (new text is in italics and underlined)

Likes 0

Dislikes 0

### Response

**Elizabeth Axson - Electric Reliability Council of Texas, Inc. - 2**

Answer

No

Document Name

Comment

See comments for Question #3

Likes 0

Dislikes 0

### Response

**Brian Van Gheem - ACES Power Marketing - 6 - NA - Not Applicable, Group Name ACES Standards Collaborators**

Answer

No

Document Name

Comment

It appears the documents to support the request to conduct a field test are separate documents. We believe the implementation schedule and list of expectations for periodic updates should all be incorporated into the field test plan. Moreover, the test plan should identify upfront if the participant list will be made public at a later date or identify potential confidentiality and other concerns. Furthermore, we believe the test plan should be updated to reflect trial extensions as they occur.

Likes 0

Dislikes 0

### Response

**Pamela Hunter - Southern Company - Southern Company Services, Inc. - 1,3,5,6 - SERC, Group Name** Southern Company

**Answer**

No

**Document Name**

**Comment**

See Section 6.1.3. It is unclear as to why a field test would extend beyond the period of Standard development if the reason for conducting a field test is to validate concepts that form the basis for a new or revised NERC requirement. This is supported by the statement in Section 6.1 that the field test should be conducted prior to issuance of a SAR. So, it seems important enough to the authors of this SPM to have the results of the field test prior to even initiating the Standards development process. It seems to me that if a field test is initiated after the start of the Standards development process then the field test schedule would actually drive the Standard development schedule to a certain degree. They couldn't be independent.

Likes 0

Dislikes 0

### Response

**Barry Lawson - National Rural Electric Cooperative Association - 3,4**

**Answer**

No

**Document Name**

**Comment**

NRECA has the following comments:

Is the current SAR form set up properly for a field test-only request? It's unclear to us if it is.

In 6.1, the second and third bullet, in the second bullet it states that the technical committee "oversees" the field test and then the in the third bullet it states that the field test is "conducted" by the drafting team. We believe this language is confusing on roles and responsibilities – what is the difference between "oversees" and "conducted" as used in these bullets? We believe that this needs to be clarified in this section so that the drafting team and the technical committee clearly understand their roles and responsibilities.

In 6.1.1, the first paragraph on page 29 of the redline, second sentence, the following language should be added at the end of the sentence "prior to conducting a field test."

In the second paragraph on page 29 of the redline, first line, it's unclear what "technical adequacy" means in this context. This should be explained further in this paragraph. In the same paragraph, 5th line, who is intended to receive the "communicating status" of the results of the field test? This should be made clear in this paragraph.

In the third paragraph on page 29 of the redline, first line, it states that the SC's decision to approve the field test "shall be based solely....." when the SC votes on the technical committee's recommendation. Is the SC voting on process or technical issues here? It seems the SC should only be voting on process, not on evaluating technical issues. This paragraph might need to be revised to clarify what the SC is approving here as it relates to the authorities in the SC charter and other governing documents.

In Section 6.1.2, first sentence, the beginning of the sentence should be changed to "During the field test *being conducted by the drafting team.....*" (new text is in italics and underlined)

On page 30 of the redline, in the new 6.2, first sentence, the following new text should be added – "After approval of the field test, *but prior to the start,.....*" (new text is in italics and underlined.) Also on the 9th line of this paragraph the following new text should be added to "responsible for approving any modifications or terminations, *prior to any compliance PV's that could be issued otherwise,.....*" (new text is in italics and underlined)

Likes 0

Dislikes 0

### Response

**Aaron Cavanaugh - Bonneville Power Administration - 1,3,5,6 - WECC**

**Answer**

Yes

**Document Name**

**Comment**

None

Likes 0

Dislikes 0

### Response

**Joseph DePoorter - MGE Energy - Madison Gas and Electric Co. - 4, Group Name MRO NSRF**

**Answer**

Yes

**Document Name**

**Comment**

We question if a field test would ever make an entity non-compliant with an existing Standard? If so, should there be a section on making the field testing entity exempt from being found non-compliant with an effective Standard during the field test? We believe this wording should be within Section 6.

Likes 0



Dislikes 0

**Response**

**David Kiguel - David Kiguel - 8**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**John Seelke - LS Power Transmission, LLC - 1**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**John Seelke - LS Power Transmission, LLC - 1**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**John Seelke - LS Power Transmission, LLC - 1**

**Answer**

Yes

<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Andrew Gallo - Austin Energy - 6</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Steven Rueckert - Western Electricity Coordinating Council - 10</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Ruida Shu - Northeast Power Coordinating Council - 1,2,3,4,5,6,7,8,9,10 - NPCC, Group Name RSC no Dominion</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	

**Response**

**Chris Scanlon - Exelon - 1**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Karie Barczak - DTE Energy - Detroit Edison Company - 3, Group Name DTE Energy - DTE Electric**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Rachel Coyne - Texas Reliability Entity, Inc. - 10**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Sean Bodkin - Dominion - Dominion Resources, Inc. - 6, Group Name Dominion**

**Answer** Yes

**Document Name**

<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Karl Blaszkowski - CMS Energy - Consumers Energy Company - 1,3,4,5</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>James Anderson - CMS Energy - Consumers Energy Company - 1,3,4,5</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Chris Gowder - Chris Gowder On Behalf of: Carol Chinn, Florida Municipal Power Agency, 5, 6, 4, 3; David Schumann, Florida Municipal Power Agency, 5, 6, 4, 3; Joe McKinney, Florida Municipal Power Agency, 5, 6, 4, 3; Ken Simmons, Gainesville Regional Utilities, 1, 3, 5; Lynne Mila, City of Clewiston, 4; Randy Hahn, Ocala Utility Services, 3; Richard Montgomery, Florida Municipal Power Agency, 5, 6, 4, 3; Tom Reedy, Florida Municipal Power Pool, 6; - Chris Gowder, Group Name FMPA</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	

Dislikes 0

**Response**

**Michael Godbout - Hydro-Qu?bec TransEnergie - 1 - NPCC**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**David Greyerbiehl - CMS Energy - Consumers Energy Company - 1,3,4,5**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Colby Bellville - Duke Energy - 1,3,5,6 - FRCC,SERC,RF, Group Name Duke Energy**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Lauren Price - American Transmission Company, LLC - 1**

**Answer**

Yes

<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>David Ramkalawan - Ontario Power Generation Inc. - 5</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Shannon Mickens - Southwest Power Pool, Inc. (RTO) - 2 - SPP RE, Group Name SPP Standards Review Group</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Douglas Webb - Douglas Webb On Behalf of: Chris Bridges, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; Harold Wyble, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; James McBee, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; Jessica Tucker, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; - Douglas Webb</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	

Dislikes 0

**Response**

**Jamie Monette - Allete - Minnesota Power, Inc. - 1**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Thomas Rafferty - Edison International - Southern California Edison Company - 5**

**Answer**

**Document Name**

**Comment**

Please refer to comments submitted by Deborah VanDeventer on behalf of Southern California Edison.

Likes 0

Dislikes 0

**Response**

**Kenya Streeter - Edison International - Southern California Edison Company - 6**

**Answer**

**Document Name**

**Comment**

Please refer to comments submitted by Deborah VanDeventer on behalf of Southern California Edison.

Likes 0

Dislikes 0

**Response**

**John Seelke - LS Power Transmission, LLC - 1**

<b>Answer</b>	
<b>Document Name</b>	Test document.docx
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	



**2. Do you agree the technical committees (e.g., Operating Committee, Planning Committee, and Critical Infrastructure Protection Committee) should administer the Field Tests?**

**Barry Lawson - National Rural Electric Cooperative Association - 3,4**

**Answer** No

**Document Name**

**Comment**

As stated above we are concerned about the difference between “oversees” and “conducted” and now this question says the technical committees should “administer” the field test. This new term confuses things even more. As stated above, we believe that this needs to be clarified in this section so that the drafting team and the technical committee clearly understand their roles and responsibilities.

Likes 0

Dislikes 0

**Response**

**Brian Van Gheem - ACES Power Marketing - 6 - NA - Not Applicable, Group Name ACES Standards Collaborators**

**Answer** No

**Document Name**

**Comment**

(1) We seek clarification of the reference to Lead NERC Technical Committee in this proposed revision. Does the reference mean the committee collectively, its chairperson, its executive committee, or a simple majority? These committees meet in a formal setting quarterly, and actions related to the field trial may need to be taken more immediately.

(2) Based on this proposal, it appears likely that the NERC Technical Committees will appoint a task force to provide administrative oversight over the initiation, execution, and termination of field trials. Clarification regarding those eligible to participate on these task forces is needed.

Likes 0

Dislikes 0

**Response**

**Shannon Mickens - Southwest Power Pool, Inc. (RTO) - 2 - SPP RE, Group Name SPP Standards Review Group**

**Answer** No

**Document Name**

**Comment**

We agree that the appropriate technical committee(s) should have oversight of the field tests however, we have several concerns for them actually administering the test. Our first concern would be applicable to having the appropriate structured process/procedures to developing the test plan. The second concern would be associated with the technical committee(s) having the appropriate resources to conduct the field tests. If their resources are limited, we can only assume a third party entity would be used to conduct the test. The final concern would be if a third party was used, what criteria would the technical committee(s) use to help ensure that the third party is qualified to conduct the field test? The review group would like to see more documentation on how these areas would be addressed.

Likes 0

Dislikes 0

### Response

**Michael Haff - Seminole Electric Cooperative, Inc. - 1,3,4,5,6 - FRCC**

**Answer**

No

**Document Name**

**Comment**

Adopt the comments of the National Rural Electric Cooperative Association (NRECA).

Likes 0

Dislikes 0

### Response

**Michelle Amarantos - APS - Arizona Public Service Co. - 1**

**Answer**

No

**Document Name**

**Comment**

AZPS is unsure that the technical committees would have the needed visibility to know if a field test needed to be terminated for reliability reasons, see section 6.1.2.

Likes 0

Dislikes 0

### Response

**Romel Aquino - Edison International - Southern California Edison Company - 3**

**Answer**

Yes

**Document Name**

**Comment**

Please refer to comments submitted by Deborah VanDeventer on behalf of Southern California Edison.

Likes 0

Dislikes 0

**Response**

**Deborah VanDeventer - Edison International - Southern California Edison Company - 1,3,5,6 - WECC**

**Answer**

Yes

**Document Name**

**Comment**

As long as the comments mentioned in response to Q1 are addressed, SCE agrees with the field test administration proposals. A technical committee will contain the necessary expertise to conduct or administer the field tests. Accountability to SARs with compulsory field tests will ensure that technical committee field tests are beholden to the collective approval of affected industry segments.

Likes 0

Dislikes 0

**Response**

**Aaron Cavanaugh - Bonneville Power Administration - 1,3,5,6 - WECC**

**Answer**

Yes

**Document Name**

**Comment**

None

Likes 0

Dislikes 0

**Response**

**Pamela Hunter - Southern Company - Southern Company Services, Inc. - 1,3,5,6 - SERC, Group Name Southern Company**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Jamie Monette - Allele - Minnesota Power, Inc. - 1**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Elizabeth Axson - Electric Reliability Council of Texas, Inc. - 2**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Douglas Webb - Douglas Webb On Behalf of: Chris Bridges, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; Harold Wyble, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; James McBee, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; Jessica Tucker, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; - Douglas Webb**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**David Ramkalawan - Ontario Power Generation Inc. - 5**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Lauren Price - American Transmission Company, LLC - 1**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Colby Bellville - Duke Energy - 1,3,5,6 - FRCC,SERC,RF, Group Name Duke Energy**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**David Greyerbiehl - CMS Energy - Consumers Energy Company - 1,3,4,5**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Michael Godbout - Hydro-Qu?bec TransEnergie - 1 - NPCC**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Chris Gowder - Chris Gowder On Behalf of: Carol Chinn, Florida Municipal Power Agency, 5, 6, 4, 3; David Schumann, Florida Municipal Power Agency, 5, 6, 4, 3; Joe McKinney, Florida Municipal Power Agency, 5, 6, 4, 3; Ken Simmons, Gainesville Regional Utilities, 1, 3, 5; Lynne Mila, City of Clewiston, 4; Randy Hahn, Ocala Utility Services, 3; Richard Montgomery, Florida Municipal Power Agency, 5, 6, 4, 3; Tom Reedy, Florida Municipal Power Pool, 6; - Chris Gowder, Group Name FMPA**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**James Anderson - CMS Energy - Consumers Energy Company - 1,3,4,5**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Karl Blaszkowski - CMS Energy - Consumers Energy Company - 1,3,4,5**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Sean Bodkin - Dominion - Dominion Resources, Inc. - 6, Group Name Dominion**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Rachel Coyne - Texas Reliability Entity, Inc. - 10**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Karie Barczak - DTE Energy - Detroit Edison Company - 3, Group Name DTE Energy - DTE Electric**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Chris Scanlon - Exelon - 1**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Joseph DePoorter - MGE Energy - Madison Gas and Electric Co. - 4, Group Name MRO NSRF**

**Answer**

Yes

**Document Name**

**Comment**

Likes 1

Larry Heckert, N/A, Heckert Larry

Dislikes 0

**Response**

**Shelby Wade - PPL NERC Registered Affiliates - 1,3,5,6 - SERC,RF, Group Name PPL NERC Registered Affiliates**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**



**Ruida Shu - Northeast Power Coordinating Council - 1,2,3,4,5,6,7,8,9,10 - NPCC, Group Name RSC no Dominion**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**LeRoy Patterson - Public Utility District No. 2 of Grant County, Washington - 6**

**Answer** Yes

**Document Name**

**Comment**

Likes 2

Public Utility District No. 2 of Grant County, Washington, 4, McMackin Yvonne; Public Utility District No. 2 of Grant County, Washington, 5, Ybarra Alex

Dislikes 0

**Response**

**Steven Rueckert - Western Electricity Coordinating Council - 10**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Andrew Gallo - Austin Energy - 6**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response****John Seelke - LS Power Transmission, LLC - 1****Answer**

Yes

**Document Name****Comment**

Likes 0

Dislikes 0

**Response****John Seelke - LS Power Transmission, LLC - 1****Answer**

Yes

**Document Name****Comment**

Likes 0

Dislikes 0

**Response****John Seelke - LS Power Transmission, LLC - 1****Answer**

Yes

**Document Name****Comment**

Likes 0

Dislikes 0

**Response**

**David Kiguel - David Kiguel - 8**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Mark Riley - Associated Electric Cooperative, Inc. - 1, Group Name AECI & Member G&Ts**

**Answer**

**Document Name**

**Comment**

AECI & its member G&Ts support the National Rural Electric Cooperative Association's comments listed below:

As stated above we are concerned about the difference between “oversees” and “conducted” and now this question says the tehcnical committees should “administer” the field test. This new term confuses things even more. As stated above, we believe that this needs to be clarified in this section so that the drafting team and the technical committee clearly understand their roles and responsibilities.

Likes 0

Dislikes 0

**Response**

**Kenya Streeter - Edison International - Southern California Edison Company - 6**

**Answer**

**Document Name**

**Comment**

Please refer to comments submitted by Deborah VanDeventer on behalf of Southern California Edison

Likes 0

Dislikes 0

**Response**

**Thomas Rafferty - Edison International - Southern California Edison Company - 5**

**Answer**

**Document Name**

**Comment**

Please refer to comments submitted by Deborah VanDeventer on behalf of Southern California Edison.

Likes 0

Dislikes 0

**Response**

**3. Do you have any other comments concerning Section 6.0 of the SPM?**

**John Seelke - LS Power Transmission, LLC - 1**

**Answer**

**Document Name**

**Comment**

No.

Likes 0

Dislikes 0

**Response**

**David Kiguel - David Kiguel - 8**

**Answer**

**Document Name**

**Comment**

The Sentence "The drafting team may be supplemented with other individuals based on the required technical expertise needed to support the field test." is ambiguous. While the concept is appropriate, the Manual should provide detail on how individuals are nominated and selected. Suggest to add that NERC Reliability Standards Staff shall identify individuals with the appropriate technical expertise and make a recommendation for approval by the Standards Committee.

Likes 0

Dislikes 0

**Response**

**John Seelke - LS Power Transmission, LLC - 1**

**Answer**

**Document Name**

**Comment**

No

Likes 0

Dislikes 0

**Response**

**John Seelke - LS Power Transmission, LLC - 1**

**Answer**

**Document Name**

**Comment**

No.

Likes 0

Dislikes 0

**Response**

**Aaron Cavanaugh - Bonneville Power Administration - 1,3,5,6 - WECC**

**Answer**

**Document Name**

**Comment**

None

Likes 0

Dislikes 0

**Response**

**LeRoy Patterson - Public Utility District No. 2 of Grant County, Washington - 6**

**Answer**

**Document Name**

**Comment**

There are grammar issues and typos hidden by the redline.

Likes 2

Public Utility District No. 2 of Grant County, Washington, 4, McMackin Yvonne; Public Utility District No. 2 of Grant County, Washington, 5, Ybarra Alex

Dislikes 0

**Response**

**Shelby Wade - PPL NERC Registered Affiliates - 1,3,5,6 - SERC,RF, Group Name PPL NERC Registered Affiliates**

**Answer**

**Document Name**

**Comment**

See response to Question 1.

Likes 0

Dislikes 0

**Response**

**Joseph DePoorter - MGE Energy - Madison Gas and Electric Co. - 4, Group Name MRO NSRF**

**Answer**

**Document Name**

**Comment**

N/A

Likes 0

Dislikes 0

**Response**

**Karie Barczak - DTE Energy - Detroit Edison Company - 3, Group Name DTE Energy - DTE Electric**

**Answer**

**Document Name**

**Comment**

No

Likes 0

Dislikes 0

**Response**

**Chris Scanlon - Exelon - 1**

**Answer**

<b>Document Name</b>	
<b>Comment</b>	
Propose that the statement in paragraph 2 of section 6.0 “The drafting team may be supplemented with other individuals based on the required technical expertise needed to support the field test” be moved to the second or third bullet in Section 6.1. and that it be clarified that the relevant Technical Committees and Staff identify the additional expert(s) to assign to the team.	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>RoLynda Shumpert - SCANA - South Carolina Electric and Gas Co. - 1,3,5,6 - SERC</b>	
<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
In the Section 6 changes, it states “Proposed Section 6.1.2 provides that the lead NERC technical committee overseeing the field test may stop or modify the field test if it determines that the field test activity poses a reliability risk to the Bulk Power System.”	
What is the role of the host utility in this effort? I would hope that the host and NOT the NERC technical committee has over-riding authority to stop a field test if the host believes reliability is impacted.	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>James Anderson - CMS Energy - Consumers Energy Company - 1,3,4,5</b>	
<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
None.	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Thomas Rafferty - Edison International - Southern California Edison Company - 5</b>	



<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
Please refer to comments submitted by Deborah VanDeventer on behalf of Southern California Edison.	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Romel Aquino - Edison International - Southern California Edison Company - 3</b>	
<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
Please refer to comments submitted by Deborah VanDeventer on behalf of Southern California Edison.	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Kenya Streeter - Edison International - Southern California Edison Company - 6</b>	
<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
Please refer to comments submitted by Deborah VanDeventer on behalf of Southern California Edison	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Lauren Price - American Transmission Company, LLC - 1</b>	
<b>Answer</b>	
<b>Document Name</b>	

**Comment**

None.

Likes 0

Dislikes 0

**Response****Deborah VanDeventer - Edison International - Southern California Edison Company - 1,3,5,6 - WECC****Answer****Document Name****Comment**

It is important to balance the role of the technical committees in field tests and delineate where oversight should begin and delegated authority from the SC should end. The current proposal delegates too much of the SC authority to the NERC technical committees to potentially "streamline" the existing process. The tradeoff between efficiency and due process cannot ignore the significance of segment oversight. It is not sufficient to justify the proposed revisions on the basis that the ballot pool includes the necessary segment representation either. Any SAR which required field tests was approved to ensure prudent standards development. Using ballot pool participation as a justification for delegating more authority to NERC technical committees changes the nature of the SAR without due process.

Likes 0

Dislikes 0

**Response****David Ramkalawan - Ontario Power Generation Inc. - 5****Answer****Document Name****Comment**

In conducting a field test for a technical concept the drafting team may be supplemented with technical experts. The drafting team is responsible for developing the field test plan, including the implementation schedule, and for identifying compliance related issues such as the potential need for compliance waivers.

According to 6.1: Field Tests and Data Analysis - Field tests to validate concepts that support the development of Reliability Standards should be conducted, to the extent possible, before the SAR for a project is finalized.

Please clarify who is responsible for the field test if the SAR for the project has been finalized and there is no SDT for that project.

It is OPG's opinion that the SAR/project should not be concluded before the field tests have been executed with the collected data analyzed/interpreted and required results adequately reflected/implemented in the new standard/revision of the old standard.

Likes 0

Dislikes 0

**Response**

**Douglas Webb - Douglas Webb On Behalf of: Chris Bridges, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; Harold Wyble, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; James McBee, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; Jessica Tucker, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; - Douglas Webb**

**Answer**

**Document Name**

**Comment**

None.

Likes 0

Dislikes 0

**Response**

**Shannon Mickens - Southwest Power Pool, Inc. (RTO) - 2 - SPP RE, Group Name SPP Standards Review Group**

**Answer**

**Document Name**

**Comment**

We would like to see more documentation on how NERC Staff and the technical committee(s) plan to implement the waiver process.

Likes 0

Dislikes 0

**Response**

**Elizabeth Axson - Electric Reliability Council of Texas, Inc. - 2**

**Answer**

**Document Name**

**Comment**

Please provide clarification on who conducts a field test during the SAR stage if the Standards Committee hasn't appointed an SDT during the SAR stage (which seems possible under section 4.3 of the SPM). Do they have to appoint an SDT for the purpose of the field test? In Section 6.1.1, the 3rd

bullet should be further clarified that the standard drafting team conducting the field test is responsible for updating their respective NERC technical committee.

In Section 6.1.1 – Field Test Approval, revisions currently state that the NERC technical committee will be responsible for “coordinating and communicating status of the results of the field test.” It is unclear to whom the technical committee will communicate status to. The Standards Committee? NERC Staff? The Board? All bodies in general? Later on in section 6.2, it states “Prior to the ballot of any standard involving a field test, the drafting team shall provide to the Standards Committee either a preliminary report of the results of the field test to date, if the field test will continue beyond standard development, or a final report if the field test has been completed.” This is inconsistent with the statement above that the technical committee will be the primary communicator for the status of the project. Who will act as the primary spokesman for the field test? This role should be clarified.

If the NERC Standards Committee does not approve a technical committee’s recommendation, is the SDT and/or technical committee able to resubmit a request for a field test that addresses the NERC SC’s concerns? Section 6 is currently silent on this instance. “ A rejection does not preclude the SDT from engaging in further research on the standard concept or field test plan.” Provide justification for compliance exemption – seek compliance department concurrence.

The changes suggest that the field test could last past the development of a standard. This seems to be inconsistent with the fundamental point of the field test, which is to test a concept for purposes of a possible new standard. Should the field test process be independent of (or a condition to) the standards development process? If it is possible to "pilot" a proposed change to a requirement, wouldn't it be preferable to have the NERC technical committees do this before a new standard is proposed, or at least as part of the SAR process? Please clarify that a field test may not last beyond the development of a standard. – Ben thinks this is clear but it’s not, so he asks we put this comment in our responses.

Please provide clarification on what it means to have the NERC technical committee "oversee" the field test (and to coordinate all entity participation in the test) while at the same time the SDT is supposed to be responsible for "conducting" the field test. What do these different roles mean? Who gets to decide how the test works in the event of a disagreement on process?

Likes 0

Dislikes 0

### Response

**Jamie Monette - Allete - Minnesota Power, Inc. - 1**

**Answer**

**Document Name**

**Comment**

No.

Likes 0

Dislikes 0

<b>Response</b>	
<b>Brian Van Gheem - ACES Power Marketing - 6 - NA - Not Applicable, Group Name</b> ACES Standards Collaborators	
<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
<p>(1) A business process diagram identifying the coordination between the NERC Technical Committees, the NERC Standards Committee (SC), and NERC Staff should be included in this section. The proposed language does not accommodate outcomes such as what happens in the event that the Lead NERC Technical Committee rejects the request to oversee the field trial. We also believe NERC Compliance and Enforcement should be involved earlier in the process to determine compliance waivers for currently enforceable Reliability Standards. This should occur before SC approval for the initiation of the field trial.</p> <p>(2) The last sentence of the first paragraph, "Drafting teams are not required to collect and analyze data or to conduct a field test to validate a Reliability Standard," should be removed. We believe the intent of this sentence is already implied within the first sentence of the paragraph.</p>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Pamela Hunter - Southern Company - Southern Company Services, Inc. - 1,3,5,6 - SERC, Group Name</b> Southern Company	
<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
<p>See Section 6.2. There is a sentence in Section 6.2 that can read somewhat ambiguously as follows: "The NERC Compliance Monitoring and Enforcement Program Staff shall determine whether to approve the requested waivers and shall be responsible for approving any modifications or terminations that may become necessary following the start of the field test." This sentence could be misunderstood to imply that the NERC Compliance Monitoring and Enforcement Program Staff has an approval role in modifications to the field tests, when it is believed, their approval responsibility is restricted only to the waivers.</p>	
Likes 0	
Dislikes 0	
<b>Response</b>	

**4. Do you agree with the revisions to Section 7.0 of the SPM?**

**Barry Lawson - National Rural Electric Cooperative Association - 3,4**

**Answer** No

**Document Name**

**Comment**

On page 32 of the redline, Section 7.1, first line, it is confusing to NRECA that a valid interpretation does not “interpret” the language of the requirement. We strongly urge that the word “interpret” not be deleted from this sentence.

On page 32 of the redline, Section 7.2.1, NRECA has the following requests for clarity. In bullet 3 it refers to “an existing or future standard,” but its unclear how far in the future this is referring to. Since some standards can take a number of years to develop, should a request for and interpretation be rejected because something is going to be done in that area in 5 to 8 years from now? There should be some limitation on what “future” means in this context. Maybe “future” means a project that has a SAR submitted that would address the interpretation issue. In bullet 5 NRECA recommends that the term “record” be clarified so that everyone knows what that means, such as the record of draft standards, comments, responses to comments or something along these lines. In bullet 8, the use of “plain on its face” is very subjective and very difficult to challenge. NRECA recommends deleting bullet 8.

On page 32 of the redline, footnote 27, NRECA requests that examples of “applicable NERC Compliance Monitoring and Enforcement Program processes” be added to the footnote.

Likes 0

Dislikes 0

**Response**

**Brian Van Gheem - ACES Power Marketing - 6 - NA - Not Applicable, Group Name ACES Standards Collaborators**

**Answer** No

**Document Name**

**Comment**

The use of “Interpretation” and “clarify” are used interchangeably within this section, yet are observed to have clearly different meanings. We recommend revising the language to only use one term for consistency throughout this section.

Likes 0

Dislikes 0

**Response**

**Elizabeth Axson - Electric Reliability Council of Texas, Inc. - 2**

**Answer** No

<b>Document Name</b>	
<b>Comment</b>	
See comments for Question #5	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>David Ramkalawan - Ontario Power Generation Inc. - 5</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
OPG does not agree with the elimination of the requirement for the Interpretation Drafting Team to respond in writing to each submitted comment. OPG is of the opinion that this can be wrongfully interpreted as the team not having to respond to the comments submitted during the official commenting period. All comments should be dispositioned in some way.	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Shannon Mickens - Southwest Power Pool, Inc. (RTO) - 2 - SPP RE, Group Name SPP Standards Review Group</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
The review group has a concern that this section uses the terms 'Interpretation' and 'clarify' interchangeably as we understand them to have clearly different meanings. We recommend that staff revise the language to use only one of the terms for consistency throughout this section.	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Mark Riley - Associated Electric Cooperative, Inc. - 1, Group Name AECEI &amp; Member G&amp;Ts</b>	
<b>Answer</b>	No

<b>Document Name</b>	
<b>Comment</b>	
<p>AECI &amp; its member G&amp;Ts support the National Rural Electric Cooperative Association's comments listed below:</p> <p>On page 32 of the redline, Section 7.1, first line, it is confusing to NRECA that a valid interpretation does not “interpret” the language of the requirement. We strongly urge that the word “interpret” not be deleted from this sentence.</p> <p>On page 32 of the redline, Section 7.2.1, NRECA has the following requests for clarity. In bullet 3 it refers to “an existing or future standard,” but its unclear how far in the future this is referring to. Since some standards can take a number of years to develop, should a request for and interpretation be rejected because something is going to be done in that area in 5 to 8 years from now? There should be some limitation on what “future” means in this context. Maybe “future” means a project that has a SAR submitted that would address the interpretation issue. In bullet 5 NRECA recommends that the term “record” be clarified so that everyone knows what that means, such as the record of draft standards, comments, responses to comments or something along these lines. In bullet 8, the use of “plain on its face” is very subjective and very difficult to challenge. NRECA recommends deleting bullet 8.</p> <p>On page 32 of the redline, footnote 27, NRECA requests that examples of “applicable NERC Compliance Monitoring and Enforcement Program processes” be added to the footnote.</p>	
Likes	0
Dislikes	0
<b>Response</b>	
<p><b>Michael Haff - Seminole Electric Cooperative, Inc. - 1,3,4,5,6 - FRCC</b></p>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
<p>Adopt the comments of the National Rural Electric Cooperative Association (NRECA).</p>	
Likes	0
Dislikes	0
<b>Response</b>	
<p><b>Chris Gowder - Chris Gowder On Behalf of: Carol Chinn, Florida Municipal Power Agency, 5, 6, 4, 3; David Schumann, Florida Municipal Power Agency, 5, 6, 4, 3; Joe McKinney, Florida Municipal Power Agency, 5, 6, 4, 3; Ken Simmons, Gainesville Regional Utilities, 1, 3, 5; Lynne Mila, City of Clewiston, 4; Randy Hahn, Ocala Utility Services, 3; Richard Montgomery, Florida Municipal Power Agency, 5, 6, 4, 3; Tom Reedy, Florida Municipal Power Pool, 6; - Chris Gowder, Group Name FMPPA</b></p>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	



Improvements have been made, but there remains too much ambiguity and latitude for the Interpretation process to be practically implemented. The following are areas where clarity is needed.

While it is valid to look to the development record of a Standard to determine whether an Interpretation is needed (4th bullet under Section 7.2.1), some discussion of what constitutes the “record” is needed so there is a common understanding.

The 5th bullet under Section 7.2.1 conflicts with Section 7.3. How can a request be rejected because it identifies an issue requiring a Standard modification, but also have an Interpretation drafting team identifying deficiencies and submitting SARs? The last paragraph of Section 7 recognizes that an Interpretation can stand in the gap until a Standard can be revised.

Section 7.1 says an Interpretation may not “alter” the scope of a Standard, but the 6th bullet under Section 7.2.1 only allows for rejection if the request seeks to “expand” the scope.

The 7th bullet under Section 7.2.1 is too subjective and open-ended. The fact that an Interpretation request was submitted means that it is not plain on its face to someone. Instead NERC Staff and the requestor should discuss and attempt to come to an understanding of the meaning, which may result in the modification or withdrawal of the request. If confusion remains, then an Interpretation drafting team and/or the ballot pool should determine (per Section 7.3) whether an Interpretation is needed, not NERC Staff or the SC.

In addition to these clarifications, timetables for action should be added to the process. As it stands, there is no limit to the amount of time NERC Staff can take to determine the validity of an Interpretation request. A reasonable limitation (something less than 90 days) is needed so that requests do not linger without action.

Likes 0

Dislikes 0

### Response

**Michael Godbout - Hydro-Qu?bec TransEnergie - 1 - NPCC**

**Answer**

No

**Document Name**

**Comment**

Please see our answer to the next question.

Likes 0

Dislikes 0

### Response

**Michelle Amarantos - APS - Arizona Public Service Co. - 1**

**Answer**

No

**Document Name**

**Comment**

In section 7.1, please define the “scope of a requirement.”

Step 2 on page 35 should be updated to reflect previous edits regarding NERC staff.

Likes 0

Dislikes 0

### Response

**Joseph DePoorter - MGE Energy - Madison Gas and Electric Co. - 4, Group Name MRO NSRF**

Answer

No

Document Name

### Comment

The first bullet of Section 7.3 states that the “NERC Reliability Standards staff shall review the draft Interpretation and to provide a recommendation to the Standards Committee...”. Then once the Interpretation has passed ballot, on the top of page 34 it states, “If approved by the ballot pool, NERC Staff shall review the final Interpretation...”. This is the same language in two different places. Recommend that the latter language be remove.

Likes 1

Larry Heckert, N/A, Heckert Larry

Dislikes 0

### Response

**Shelby Wade - PPL NERC Registered Affiliates - 1,3,5,6 - SERC,RF, Group Name PPL NERC Registered Affiliates**

Answer

No

Document Name

### Comment

The revision in proposed Section 7.2.1 (Rejection of an Interpretation Request) that allows a request for Interpretation to be rejected if an “existing or future standard development project” can address the issue effectively allows for an indefinite delay in NERC responding to *Request for Interpretation*. Any issue could arguably be addressed by a “future standard development project” and a request for an interpretation on that issue could be rejected on that basis. As such, it is overly broad and subjective. We suggest removing “or future” to ensure the issue is not arbitrarily delayed. The suggested language for the second bullet in Section 7.2.1 is as follows: “Where the issue can be addressed by incorporating the issue into an existing standard development project.”

Likes 0

Dislikes 0

### Response

**Ruida Shu - Northeast Power Coordinating Council - 1,2,3,4,5,6,7,8,9,10 - NPCC, Group Name RSC no Dominion**

<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
<p>Section 7.2 needs to be clarified. While the revised section makes reference back to Section 4.0, the revised 7.2 also includes exceptions to the drafting process. From our reading of the revised language, it is unclear whether or not the drafting team will have to reply to stakeholder comments in writing. We believe the intent is to have the drafting team only respond to comments in written form during the official comment period, which is acceptable. However we are concerned that the proposed revised language could be read to mean that the drafting team does not have to reply to comments at all. We recommend that Section 7.2 explicitly state that written responses will be provided to comments received during the official comment period for new interpretations.</p>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Daniel Grinkevich - Con Ed - Consolidated Edison Co. of New York - 1</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
<p>Section 7.2 needs to be clarified. While the revised section makes reference back to Section 4.0, the revised 7.2 also includes exceptions to the drafting process. From our reading of the revised language, it is unclear whether or not the drafting team will have to reply to stakeholder comments in writing. We believe the intent is to have the drafting team only respond to comments in written form during the official comment period, which is acceptable. However we are concerned that the proposed revised language could be read to mean that the drafting team does not have to reply to comments at all. We recommend that Section 7.2 explicitly state that written responses will be provided to comments received during the official comment period for new interpretations.</p>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Thomas Foltz - AEP - 5</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
<p>Section 7.1: While AEP does not object to removing the word “interpret” from this section so that it reads “An Interpretation may only clarify the language of the Requirement(s)”, we believe it would be preferable to replace the word with more explanatory text rather than simply</p>	

deleting it. We suggest changing it to instead state “An Interpretation may only clarify or explain the meaning of the language of the Requirement(s)...”

Likes 0

Dislikes 0

### Response

#### LeRoy Patterson - Public Utility District No. 2 of Grant County, Washington - 6

Answer

No

Document Name

### Comment

In Section 7.2.1: "Rejection of an Interpretation Request", the second bullet states "Where the issue can be addressed by incorporating the issue into an existing or future standard development project...". This bullet requires all interpretation requests to be rejected since every issue can be addressed in an existing **or future** standard development project.

Further, it precludes clarification of an existing standard if a new standard is being developed. Considering the uncertain, and often lengthy, time needed to approve a new standard and make it effective, it seems inappropriate to preclude making a needed clarification that would allow everyone to interpret an existing requirement similarly.

Likes 1

Public Utility District No. 2 of Grant County, Washington, 5, Ybarra Alex

Dislikes 0

### Response

#### Andrew Gallo - Austin Energy - 6

Answer

No

Document Name

### Comment

In Section 7.2.1, the second bullet should be removed ("The issue can be addressed by incorporating it into an existing or planned standard development project") because **any** request could be incorporated into a future project, which means the Standards Committee could use this reason to deny **all** requests for interpretation.

Likes 0

Dislikes 0

### Response

**John Seelke - LS Power Transmission, LLC - 1****Answer** No**Document Name****Comment**

see response to Q6.

Likes 0

Dislikes 0

**Response****John Seelke - LS Power Transmission, LLC - 1****Answer** No**Document Name****Comment**

See the response in Q6,

Likes 0

Dislikes 0

**Response****John Seelke - LS Power Transmission, LLC - 1****Answer** No**Document Name****Comment**

See response to Q6.

Likes 0

Dislikes 0

**Response****Romel Aquino - Edison International - Southern California Edison Company - 3****Answer** Yes

<b>Document Name</b>	
<b>Comment</b>	
Please refer to comments submitted by Deborah VanDeventer on behalf of Southern California Edison.	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Deborah VanDeventer - Edison International - Southern California Edison Company - 1,3,5,6 - WECC</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Section 7 language and proposed revisions seem to point to the need for the Section and corresponding process to be called "Process for Developing 'Clarification of Reliability Standard Requirements.'"	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Steven Rueckert - Western Electricity Coordinating Council - 10</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
<p>However, if you consider any additional revisions to the SPM, based on comments received, I suggest the following.</p> <p>In section 7.2.1 add "or attachments referenced in a Requirement" to the end of the third bullet. This is consistent with the language in section 7.1.</p> <p>In section 7.3, second paragraph from the bottom, it states that "if approved by the ballot pool, NERC Staff shall review the final Interpretation to determine whether it has met the requirements for a valid Interpretation." This is also done in the first bullet of section 7.3, when the draft Interpretation is developed by the Interpretation drafting team. It seems like after the Interpretation is approved by the ballot pool it is a bit late to be deciding if it is valid. Seems like the only place this determination should be made is in the first bullet when the draft is developed, not after it has been balloted. If you make this change, the flow chart will need to be revised also.</p> <p>In section 7.3, second paragraph after the bullets it states that if the Interpretation drafting team identifies a reliability-related deficiency, it "may" submit a SAR. In the flowchart it says "shall." Suggest revising one or the other for consistency.</p>	
Likes 0	

Dislikes 0

**Response**

**Aaron Cavanaugh - Bonneville Power Administration - 1,3,5,6 - WECC**

**Answer**

Yes

**Document Name**

**Comment**

None

Likes 0

Dislikes 0

**Response**

**Pamela Hunter - Southern Company - Southern Company Services, Inc. - 1,3,5,6 - SERC, Group Name Southern Company**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Jamie Monette - Allete - Minnesota Power, Inc. - 1**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

Douglas Webb - Douglas Webb On Behalf of: Chris Bridges, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; Harold Wyble, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; James McBee, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; Jessica Tucker, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; - Douglas Webb

Answer Yes

Document Name

Comment

Likes 0

Dislikes 0

Response

Lauren Price - American Transmission Company, LLC - 1

Answer Yes

Document Name

Comment

Likes 0

Dislikes 0

Response

David Greyerbiehl - CMS Energy - Consumers Energy Company - 1,3,4,5

Answer Yes

Document Name

Comment

Likes 0

Dislikes 0

Response

James Anderson - CMS Energy - Consumers Energy Company - 1,3,4,5

Answer Yes

Document Name

Comment



Likes 0

Dislikes 0

**Response**

**Karl Blaszkowski - CMS Energy - Consumers Energy Company - 1,3,4,5**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Rachel Coyne - Texas Reliability Entity, Inc. - 10**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Sean Bodkin - Dominion - Dominion Resources, Inc. - 6, Group Name Dominion**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Chris Scanlon - Exelon - 1**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Karie Barczak - DTE Energy - Detroit Edison Company - 3, Group Name DTE Energy - DTE Electric**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**David Kiguel - David Kiguel - 8**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Kenya Streeter - Edison International - Southern California Edison Company - 6**

**Answer**

**Document Name**

**Comment**

Please refer to comments submitted by Deborah VanDeventer on behalf of Southern California Edison

Likes 0

Dislikes 0

**Response**

**Thomas Rafferty - Edison International - Southern California Edison Company - 5**

**Answer**

**Document Name**

**Comment**

Please refer to comments submitted by Deborah VanDeventer on behalf of Southern California Edison.

Likes 0

Dislikes 0

**Response**

**John Seelke - LS Power Transmission, LLC - 1**

**Answer**

**Document Name**

**Comment**

See response to Q6.

Likes 0

Dislikes 0

**Response**

**5. Do you agree with the proposed process for posting and balloting Interpretations?**

**John Seelke - LS Power Transmission, LLC - 1**

**Answer** No

**Document Name**

**Comment**

See response to Q6.

Likes 0

Dislikes 0

**Response**

**John Seelke - LS Power Transmission, LLC - 1**

**Answer** No

**Document Name**

**Comment**

See the response in Q6.

Likes 0

Dislikes 0

**Response**

**John Seelke - LS Power Transmission, LLC - 1**

**Answer** No

**Document Name**

**Comment**

See response to Q6.

Likes 0

Dislikes 0

**Response**

**LeRoy Patterson - Public Utility District No. 2 of Grant County, Washington - 6**

**Answer** No

**Document Name**

**Comment**

Comment and balloting provisions are acceptable.

However, the paragraph that now begins "If approved by the ballot pool, NERC Staff shall review the final Interpretation to determine whether it has met the requirements for a valid Interpretation and shall make a recommendation ..." is redundant since this staff made such a determination before allowing the Interpretation to go for comment and ballot.

Further, there is de minimis value in the NERC Staff making a recommendation to the NERC Board of Trustees after industry balloting has approved the Interpretation.

I suggest removing the entire paragraph (i.e sentence). If that is not acceptable, at least the sentence should be modified to read "If approved by the ballot pool, NERC Staff shall make a recommendation ..."

Likes 1

Public Utility District No. 2 of Grant County, Washington, 5, Ybarra Alex

Dislikes 0

**Response**

**Thomas Foltz - AEP - 5**

**Answer** No

**Document Name**

**Comment**

Section 7.3:

While Interpretations do not of themselves "create new compliance obligations", they may still be either fairly complex or nuanced at times. As a result, industry should be afforded a more reasonable opportunity to respond by retaining the existing 45 day provision. This will allow industry to develop and provide more meaningful input.

In addition, AEP seeks clarity on how it is possible for a formal comment period to be seemingly eliminated from the entire Interpretation process. Also, given that there is a ballot that accompanies the informal comment period, what does that perhaps imply about the formality of the ballot itself?

Likes 0

Dislikes 0

**Response**

**Shelby Wade - PPL NERC Registered Affiliates - 1,3,5,6 - SERC,RF, Group Name PPL NERC Registered Affiliates**

**Answer** No

**Document Name****Comment**

The proposed process in Section 7.3 (Development of an Interpretation) contemplates that the NERC Reliability Standards staff will review the draft Interpretation and provide a recommendation to the Standards Committee whether to authorize posting or remand to the Interpretation drafting team for further work. The Standards Committee is not bound by the recommendation of the NERC staff, and could post the draft Interpretation for comment and ballot despite NERC staff's recommendation to the contrary. Since it would be informative for industry to understand NERC Reliability Standard staff's opinion on a potential Interpretation, particularly if there is a difference of opinion between the Standards Committee and NERC Reliability Standards staff, our recommendation is that both the draft Interpretation and NERC staff's recommendation be provided, so that industry can provide its comments appropriately in conjunction with the balloting. Additionally, the first bullet and the second to last paragraph in Section 7.3 reference "requirements for a valid Interpretation". If the intent is for NERC staff to determine whether the draft Interpretation has met the "requirements for a valid Interpretation", please define these requirements in Section 7.1 (Valid Interpretation).

Likes 0

Dislikes 0

**Response****Deborah VanDeventer - Edison International - Southern California Edison Company - 1,3,5,6 - WECC****Answer**

No

**Document Name****Comment**

The first paragraph of page 34 and former Step 9 (proposed Step 8) unclearly define which NERC staff members are responsible for determining whether an interpretation has met validity requirements. The proposed ambiguity removes what was once clear. The current version requires those responsible for Reliability Standards and those with legal expertise to validate an interpretation. The proposed language should be modified to ensure that proper review is provided by necessary expertise and not ambiguously from any NERC staff member.

Likes 0

Dislikes 0

**Response****Michael Godbout - Hydro-Quebec TransEnergie - 1 - NPCC****Answer**

No

**Document Name****Comment**

Section 7.3 is vague regarding the comments and vote. We read the proposed text as never requiring the interpretation drafting team to reply to the comments submitted during the comment period. Also, the overlap in time between the comment period and the ballot is potentially confusing – what would happen if an important comment is submitted after votes have begun? Finally, the section does not cover all possible outcomes of the comments and ballots, in particular, the reception of a comment that proposes a meaningful change to the interpretation.

NPCC has proposed, in its comments to section 7.0, that the interpretation drafting team should reply to comments. We support that comment.

If, however, the intention of this proposed text was to lighten the interpretation process by not requiring replies to comments, we also propose the following text for consideration :

"Interpretations shall be posted for a 30-day informal comment period.

o The NERC Reliability Standards Staff shall establish a ballot pool during the 30-day informal comment period..

o The ballot window shall take place during the 10 calendar days following the 30-day informal comment period.

o Final Ballots shall not be conducted for Interpretations. An Interpretation shall be deemed approved by the ballot pool following the first ballot in which the necessary quorum and sufficient affirmative votes are obtained.

If comments submitted are substantive and require a modification of the interpretation, the interpretation drafting team can suspend the ballot, modify the proposed text of the interpretation and post them again in a new 30-day informal comment period.

If the ballot fails, the interpretation drafting team can modify the proposed text of the interpretation and post them again in a new 30-day informal comment period followed by a new ballot.

If the ballot results indicate that there is not a consensus for the Interpretation or the Interpretation drafting team cannot revise the Interpretation following one or more substantive comments without violating ..."

Likes 0

Dislikes 0

### Response

**Michael Haff - Seminole Electric Cooperative, Inc. - 1,3,4,5,6 - FRCC**

**Answer**

No

**Document Name**

**Comment**

Adopt the comments of the National Rural Electric Cooperative Association (NRECA).

Likes 0

Dislikes 0

### Response

**Romel Aquino - Edison International - Southern California Edison Company - 3**

**Answer**

No

**Document Name**

**Comment**

Please refer to comments submitted by Deborah VanDeventer on behalf of Southern California Edison.

Likes 0

Dislikes 0

**Response****Mark Riley - Associated Electric Cooperative, Inc. - 1, Group Name AECI & Member G&Ts**

**Answer**

No

**Document Name**

**Comment**

AECI & its member G&Ts support the National Rural Electric Cooperative Association's comments listed below:

NRECA strongly supports deleting the new exceptions (on page 33, Section 7.3, third solid bullet and the four added sub-bullets) for how interpretations should be balloted. We believe interpretations should be balloted in the same manner as reliability standards.

Likes 0

Dislikes 0

**Response****David Ramkalawan - Ontario Power Generation Inc. - 5**

**Answer**

No

**Document Name**

**Comment**

OPG is of the opinion that all substantive changes to the interpretation must be reviewed and balloted by the ballot pool members, regardless of where in the process it occurs i.e. initial or additional ballot (which may be the final ballot).

Likes 0

Dislikes 0

**Response****Elizabeth Axson - Electric Reliability Council of Texas, Inc. - 2**

**Answer**

No

**Document Name**



## Comment

1.) The first subsection does not describe a “VALID Interpretation” as much as it describes the “SCOPE of an Interpretation”. If NERC retains the heading “Valid Interpretation” then technically the first reference should be to “Valid Interpretation” and not simply to “an Interpretation” (which would beg the question is this section about the submitted request or to the final result. For parallelism use the phrase “an Interpretation” (and not mix with of “the Interpretation”) also use “referenced attachment” (and not mix with “attachment referenced in the Requirement”). Keep terminology consistent.

Proposed by SRC

### **7.1 Scope of an Interpretation**

An Interpretation may only clarify the “MEANING OR INTENT OF THE” language of the Requirement(s) of an approved Reliability Standard, including, if applicable, any REFERENCED attachment. “AN” Interpretation may not alter the scope or the “WORDS{C}[A1]{C}” of a Requirement or referenced attachment. No other elements of an approved Reliability Standard are subject to an Interpretation.

2.) The next subsection introduces the involvement of NERC staff. The first reference is to “NERC Reliability Standards and Legal Staff”. The proposal then uses the abbreviated reference of “Staff” to mean “NERC Reliability Standards and Legal Staff”. That intent to use Staff as an abbreviation should be made clear, i.e. use “NERC Reliability Standards and Legal Staff (NERC Staff).

The first sentence uses the term “the Interpretation” as if there were only one Interpretation – suggest changing “the” to “an”. This would also comport with the wording NERC proposed in the previous subsection.

It seems that the words “a request for Interpretation” (using an upper case I) indicates a new product, i.e something different from the product in the previous subsection.

The SRC notes that in this subsection, everything starts with NERC Staff (they get the request, they decide on the validity and then make recommendations to the SC.)

Proposed by SRC

### **“7.2 NERC Staff Process and Procedures**

the entity requesting “AN” Interpretation shall submit a *Request for Interpretation* form to the NERC Reliability Standards Staff “(NERC STAFF)” explaining the clarification required, the specific circumstances surrounding the request, and the impact of not having the Interpretation provided. “NERC STAFF” shall review the request for Interpretation to determine whether the request meets the requirements for a valid Interpretation. Based on this review, NERC Staff shall make a recommendation to the Standards Committee whether to accept the “REQUEST FOR INTERPRETATION.”

3.) It seems that there needs to be some description of steps involved with going from a NERC Staff recommendation to an SC decision on whether or not to go forward. Of course the implication in the proposed draft is that the SC will do what it is told to do, but the “Process” should allow for some SC independence that allows the SC to consider and not simply rubber-stamp the NERC staff recommendations – otherwise why have the SC get involved at all? The proposed Section 7.2.2 merely states the steps the SC would take upon approval of a request. The SRC proposes to place those steps into the following new section (and delete 7.2.2).

**Proposed by SRC**

“7.X Standards Committee Process and Procedures

The Standards Committee (SC) Chair upon receipt of NERC Staff recommendations concerning whether to accept a Request for Interpretation shall:

- Distribute to the SC copies of the Request for Interpretation and a copy of the NERC Staff recommendations
- Include for discussion and vote the Request for Interpretation on an SC Agenda (within 180 days of receipt of the NERC Staff recommendations)
- Authorize NERC Staff to assemble an Interpretation Drafting Team if the Request for Interpretation were accepted (see Section 7.3 Development of an Interpretation). The SC shall authorize:
  - o Development of an Interpretation that will be posted for formal comment and ballot (as per ..... )
- Inform the author of the Request for Interpretation if the Request for Interpretation were not accepted

The SC members shall decide on whether to accept the Request for Interpretation based on the criteria established in Section 7.2.1.” Is it implied that actual words can never be changed? After all this is an interpretation – not a SAR.

Likes	0
Dislikes	0
<b>Response</b>	
<b>Brian Van Gheem - ACES Power Marketing - 6 - NA - Not Applicable, Group Name ACES Standards Collaborators</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	

The current approach using the addition of calendar days does not recognize Federal holidays or the possibility of office closures and scheduled vacations. Historically, there has been a push to address commenting periods before the end of the year, and a 30-day commenting period during the months of November and December are burdensome. We concur that a minimum 30-day period is ample time for commenting on an interpretation, with the condition that the commenting period ends on the first business day following a specific calendar date of each month, such as the 15th. For example, a posting for comment on May 1st would therefore end on June 15th.

Likes 0

Dislikes 0

### Response

**Pamela Hunter - Southern Company - Southern Company Services, Inc. - 1,3,5,6 - SERC, Group Name Southern Company**

**Answer**

No

**Document Name**

### Comment

Section 7.3, page 33: The updates to this section do not clearly explain the process for when an initial informal ballot does not pass, and the IDT does have the ability to make modifications to the Interpretation. Does the IDT have the option of posting the updated Interpretation for a 2nd informal or final ballot period? Is the only option in that case to have the SC submit a SAR for a potential future modification to the applicable Reliability Standard? If the IDT is not allowed to post an updated Interpretation for a 2nd informal comment/ballot period based on comments received in the initial ballot, what purpose does it serve to collect comments in the initial informal ballot if they cannot be incorporated into the Interpretation and the updates be voted on?

Likes 0

Dislikes 0

### Response

**Barry Lawson - National Rural Electric Cooperative Association - 3,4**

**Answer**

No

**Document Name**

### Comment

NRECA strongly supports deleting the new exceptions (on page 33, Section 7.3, third solid bullet and the four added sub-bullets) for how interpretations should be balloted. We believe interpretations should be balloted in the same manner as reliability standards as they are currently described in the SPM.

Likes 0

Dislikes 0

### Response

**Aaron Cavanaugh - Bonneville Power Administration - 1,3,5,6 - WECC**

**Answer** Yes

**Document Name**

**Comment**

None

Likes 0

Dislikes 0

**Response**

**Chris Scanlon - Exelon - 1**

**Answer** Yes

**Document Name**

**Comment**

With clarification, see below.

Likes 0

Dislikes 0

**Response**

**Joseph DePoorter - MGE Energy - Madison Gas and Electric Co. - 4, Group Name MRO NSRF**

**Answer** Yes

**Document Name**

**Comment**

We agree if our proposed changes are incorporated into the SPM.

Likes 0

Dislikes 0

**Response**

**Sean Bodkin - Dominion - Dominion Resources, Inc. - 6, Group Name Dominion**

<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Dominion suggests requiring the IDT to respond to comments even though the comment period is an informal one.	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>David Kiguel - David Kiguel - 8</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Andrew Gallo - Austin Energy - 6</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Steven Rueckert - Western Electricity Coordinating Council - 10</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	

Likes 0

Dislikes 0

**Response**

**Ruida Shu - Northeast Power Coordinating Council - 1,2,3,4,5,6,7,8,9,10 - NPCC, Group Name** RSC no Dominion

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Karie Barczak - DTE Energy - Detroit Edison Company - 3, Group Name** DTE Energy - DTE Electric

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Michelle Amarantos - APS - Arizona Public Service Co. - 1**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Rachel Coyne - Texas Reliability Entity, Inc. - 10**

Answer	Yes
Document Name	
Comment	
Likes 0	
Dislikes 0	
Response	
Karl Blaszkowski - CMS Energy - Consumers Energy Company - 1,3,4,5	
Answer	Yes
Document Name	
Comment	
Likes 0	
Dislikes 0	
Response	
James Anderson - CMS Energy - Consumers Energy Company - 1,3,4,5	
Answer	Yes
Document Name	
Comment	
Likes 0	
Dislikes 0	
Response	
David Greyerbiehl - CMS Energy - Consumers Energy Company - 1,3,4,5	
Answer	Yes
Document Name	
Comment	
Likes 0	

Dislikes 0

**Response**

**Chris Gowder - Chris Gowder On Behalf of: Carol Chinn, Florida Municipal Power Agency, 5, 6, 4, 3; David Schumann, Florida Municipal Power Agency, 5, 6, 4, 3; Joe McKinney, Florida Municipal Power Agency, 5, 6, 4, 3; Ken Simmons, Gainesville Regional Utilities, 1, 3, 5; Lynne Mila, City of Clewiston, 4; Randy Hahn, Ocala Utility Services, 3; Richard Montgomery, Florida Municipal Power Agency, 5, 6, 4, 3; Tom Reedy, Florida Municipal Power Pool, 6; - Chris Gowder, Group Name FMFA**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Lauren Price - American Transmission Company, LLC - 1**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Douglas Webb - Douglas Webb On Behalf of: Chris Bridges, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; Harold Wyble, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; James McBee, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; Jessica Tucker, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; - Douglas Webb**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**



**Shannon Mickens - Southwest Power Pool, Inc. (RTO) - 2 - SPP RE, Group Name SPP Standards Review Group**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Jamie Monette - Allete - Minnesota Power, Inc. - 1**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**John Seelke - LS Power Transmission, LLC - 1**

**Answer**

**Document Name**

**Comment**

See response to Q6.

Likes 0

Dislikes 0

**Response**

**Thomas Rafferty - Edison International - Southern California Edison Company - 5**

**Answer**

**Document Name**

**Comment**

Please refer to comments submitted by Deborah VanDeventer on behalf of Southern California Edison.

Likes 0

Dislikes 0

**Response**

**Kenya Streeter - Edison International - Southern California Edison Company - 6**

**Answer**

**Document Name**

**Comment**

Please refer to comments submitted by Deborah VanDeventer on behalf of Southern California Edison

Likes 0

Dislikes 0

**Response**

**6. Do you have any other comments concerning Section 7.0 of the SPM?**

**Pamela Hunter - Southern Company - Southern Company Services, Inc. - 1,3,5,6 - SERC, Group Name Southern Company**

**Answer**

**Document Name**

**Comment**

No.

Likes 0

Dislikes 0

**Response**

**Brian Van Gheem - ACES Power Marketing - 6 - NA - Not Applicable, Group Name ACES Standards Collaborators**

**Answer**

**Document Name**

**Comment**

We believe a request for interpretation to clarify a standard effective date and/or applicability should not be rejected. Ambiguities in effective dates and applicability render a Standard potentially unenforceable, and most certainly limit the desired effect on reliability. We see no other effective mechanism in place to resolve these ambiguities. Support documentation, as outlined in Section 11 of the proposed document, only explains or facilitates the understanding of Reliability Requirements. The other approach currently available to Registered Entities - to follow up with their Regional Entity for clarification - is not only cumbersome, it results in inconsistencies between Regions as well as potential risks to the BES as a result of confusion over effective dates and applicability of a Standard.. We recommend removing the reference entirely from the list in Section 7.2.1.

Likes 0

Dislikes 0

**Response**

**Jamie Monette - Allete - Minnesota Power, Inc. - 1**

**Answer**

**Document Name**

**Comment**

No

Likes 0

Dislikes 0

## Response

Elizabeth Axson - Electric Reliability Council of Texas, Inc. - 2

Answer

Document Name

Comment

1.) The document should be consistent in its references. Use “*Request for Interpretation*” or “*request*” but not both (unless the document makes clear that the term “*Request*” is an abbreviation of “*Request for Interpretation*”). NERC staff in its Alignment of Terms has pushed using “verbs” following bullets. See below.

### Proposed by SRC

#### “7.2.1: Criteria for Acceptance of a Request for Interpretation

A *Request for Interpretation* may be accepted where the meaning of a Reliability Standard is not plain on its face or the *Request for Interpretation* seeks clarity on:

- Requirement wording that is unclear to NERC Staff (..... The entity making this decision is open for SDT discussion .....
- A requirement term is used in different ways in multiple contexts
- A requirement term or issue that has evolved or changed meaning

#### 7.2.2: Criteria for Rejection of a Request for Interpretation

A *Request for Interpretation* may be rejected where the meaning of a Reliability Standard is plain on its face or the *Request for Interpretation*:

• Seeks approval of a specific compliance approach

• Can be addressed by incorporating the issue into an existing or pending standard or pending Project

• Seeks clarification of any element of a Reliability Standard other than a Requirement.

• Has already been addressed in the record.;

• Proposes the development of a new or modified Reliability Standard

• Seeks to expand the scope of a Reliability Standard”

2.) The NERC proposed changes makes a distinction between a *Request for Interpretation* and the Interpretation for comment and balloting. The SRC proposes that the same words not be used for both purposes. The burden for submitting a SAR should not rest solely on the interpretation team.

**Proposed by SRC:**

**“7.3: Development of an Interpretation for Comment and Ballot**

Within 180 days following the Standards Committee’s request for NERC staff to assemble an Interpretation Drafting Team, NERC staff shall empower an Interpretation Team to draft an Interpretation consistent with Section 7.1 for formal comment and ballot

7.3.1 Draft Interpretation Processing

NERC Staff shall review the Interpretation Team’s draft proposal to ensure the draft is consistent with Sections 7.1, 7..... and submit the NERC Staff’s review and recommendations to the Standards Committee

The Standards Committee shall review the Interpretation Drafting Team’s draft Interpretation as well as the NERC Staff’s review and recommendations. The Standards Committee shall:

- o Authorize the posting of the draft Interpretation for comment and ballot, or
- o Reject the draft Interpretation (ending the process), or
- o Remand the draft back to the Interpretation Team with suggested changes and a new round of review

A Standards Committee authorized draft shall be balloted in the same manner as Reliability Standards (see Section 4.0), with the following exceptions:

- Interpretations shall be posted for a 30-day informal comment period. The Interpretation drafting team is not required to respond in writing to comments submitted during this comment period.
- The NERC Reliability Standards Staff shall establish a ballot pool during the first 20 days of the 30-day informal comment period.
- The ballot window shall take place during the last 10 calendar days of the 30-day informal comment period.
- Final Ballots shall not be conducted for Interpretations. An Interpretation shall be deemed approved by the ballot pool following the first ballot in which the necessary quorum and sufficient affirmative votes are obtained.

If ballot results indicate that there is not a consensus for the Interpretation, and the Interpretation drafting team cannot revise the Interpretation without violating the criteria for what constitutes a valid Interpretation (see Section 7.1), the Interpretation drafting team shall notify the Standards Committee of its conclusion and may submit a SAR with the proposed modification to the Reliability Standard.”

Likes 0

Dislikes 0

**Response**

**Douglas Webb - Douglas Webb On Behalf of: Chris Bridges, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; Harold Wyble, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; James McBee, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; Jessica Tucker, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; - Douglas Webb**

**Answer**

**Document Name**

**Comment**

None.

Likes 0

Dislikes 0

**Response**

**David Ramkalawan - Ontario Power Generation Inc. - 5**

**Answer**

**Document Name**

**Comment**

OPG is concerned that the newly proposed reduction to 30 calendar days from the 45-day formal comment period could result in the reduction of the level of effort and the quality of the reviews.

OPG does not agree with the 7.2.1 Rejection of an Interpretation Request, based on the following explanation: "Where the issue can be addressed by incorporating the issue into an existing or future standard development project.". A time commitment should be considered and stated before rejecting the request, in other words the Interpretation Request is not being rejected outright by simply being postponed to a more appropriate time.

Likes 0

Dislikes 0

**Response**

**Lauren Price - American Transmission Company, LLC - 1**

**Answer**

**Document Name**

**Comment**

None

Likes 0

Dislikes 0

**Response**

**Kenya Streeter - Edison International - Southern California Edison Company - 6**

**Answer**

**Document Name**

**Comment**

Please refer to comments submitted by Deborah VanDeventer on behalf of Southern California Edison

Likes 0

Dislikes 0

**Response**

**Romel Aquino - Edison International - Southern California Edison Company - 3**

**Answer**

**Document Name**

**Comment**

None.

Likes 0

Dislikes 0

**Response**

**Thomas Rafferty - Edison International - Southern California Edison Company - 5**

**Answer**

**Document Name**

**Comment**

Please refer to comments submitted by Deborah VanDeventer on behalf of Southern California Edison.

Likes 0

Dislikes 0

**Response**

**Colby Bellville - Duke Energy - 1,3,5,6 - FRCC,SERC,RF, Group Name Duke Energy**

**Answer**

**Document Name**

**Comment**

In Footnote 27, the reference to the CMEP process is vague. Is this in reference to the Compliance Guidance Policy?

Duke Energy agrees with the comments submitted by LS Power Transmission regarding the broadening of the scope of Requests for Interpretations to also include questions regarding "Applicability" and "Effective Date".

Likes 0

Dislikes 0

**Response**

**Michael Godbout - Hydro-Quebec TransEnergie - 1 - NPCC**

**Answer**

**Document Name**

**Comment**

We support NPCC's comment that the interpretation process can be opened to other sections of the standard. Requirements are central to the standards development process. Other sections are usually reviewed more quickly and have historically had more errors or ambiguities. Allowing the submission of requests for interpretation of these sections would provide a channel for submitting these problems to NERC and potentially addressing them through an interpretation or an errata filing.

We note that the proposed modifications clarify the interpretation process, but also narrow its scope slightly. We support broadening the scope because the interpretation process is currently the only relatively lightweight formal process to resolve ambiguities in standards.

Likes 0

Dislikes 0

**Response**

**James Anderson - CMS Energy - Consumers Energy Company - 1,3,4,5**



<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
None.	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Chris Scanlon - Exelon - 1</b>	
<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
7.21 bullet 3. Reject an interpretaion when “an the issue can be addressed by incorporating the issue into an active existing or future standard drafting team development project”	
Propose this be clarified as existing Projects or standards included in Projects identified in a Board approved RSDP.	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Karie Barczak - DTE Energy - Detroit Edison Company - 3, Group Name DTE Energy - DTE Electric</b>	
<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
No	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Joseph DePoorter - MGE Energy - Madison Gas and Electric Co. - 4, Group Name MRO NSRF</b>	

<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
N/A	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Shelby Wade - PPL NERC Registered Affiliates - 1,3,5,6 - SERC,RF, Group Name PPL NERC Registered Affiliates</b>	
<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
<p>Figure 2 (Process for Developing an Interpretation) is not referenced in the text of Section 7. It may be beneficial to remove Figure 2 entirely to ensure there are no discrepancies between the words of Section 7 and the figure. Likewise, numbering the steps directly in Section 7 may be beneficial and have the same effect as the figure.</p> <p>Section 7.1 (Valid Interpretation) refers to documents which are attached to a standard as “attachment[s]”. It seems that any “attachment” to a Reliability Standard would be classified as a “Supporting Document” as described in Section 11 and this Section 7.1 should refer to a “Supporting Document” in lieu of an “attachment”.</p>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Thomas Foltz - AEP - 5</b>	
<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
<p>AEP’s negative votes are primarily driven by our objections to reducing the turnaround time to less than 45 days for comment periods associated with Interpretations and Supporting Documentation.</p>	
Likes 0	
Dislikes 0	

**Response**

**LeRoy Patterson - Public Utility District No. 2 of Grant County, Washington - 6**

**Answer**

**Document Name**

**Comment**

No

Likes 2 Public Utility District No. 2 of Grant County, Washington, 5, Ybarra Alex; Public Utility District No. 2 of Grant County, Washington, 4, McMackin Yvonne

Dislikes 0

**Response**

**Aaron Cavanaugh - Bonneville Power Administration - 1,3,5,6 - WECC**

**Answer**

**Document Name**

**Comment**

None

Likes 0

Dislikes 0

**Response**

**John Seelke - LS Power Transmission, LLC - 1**

**Answer**

**Document Name** LS Power Transmission comments re proposed Section 7.0 changes.docx

**Comment**

Due to SBS formatting limitations, separate comments are attached.

Likes 0

Dislikes 0

**Response**

**John Seelke - LS Power Transmission, LLC - 1**

**Answer**

**Document Name**

LS Power Transmission comments re proposed Section 7.0 changes.docx

**Comment**

Due to SBS formatting limitations, comments are attached

Likes 0

Dislikes 0

**Response**

**David Kiguel - David Kiguel - 8**

**Answer**

**Document Name**

**Comment**

Suggest changing Section 7.2.2 to: "If the Standards Committee accepts the Interpretation request, the Standards Committee shall authorize NERC Reliability Standards Staff to identify individuals with the relevant expertise and recommend the composition of an Interpretation drafting team to address the request, for approval by the Standards Committee." The SC should ultimately approve the team membership.

Section 7.3 proposes that, if approved by the ballot pool, staff shall review the final Interpretation to determine whether it has met the requirements for a valid Interpretation before recommending adoption by the BoT. A mechanism should be provided to perform such review before the interpretation being balloted. If the draft does not meet the requirement for valid interpretation, it should not reach the balloting stage.

Likes 0

Dislikes 0

**Response**

**John Seelke - LS Power Transmission, LLC - 1**

**Answer**

**Document Name**

LS Power Transmission comments re proposed Section 7.0 changes.docx

**Comment**

Due to SBS formatting limitations, separate comments are attached.

Likes 0

Dislikes 0

**Response**



7. Do you agree with the revisions to Section 11.0 of the SPM?

John Seelke - LS Power Transmission, LLC - 1

Answer No

Document Name

Comment

While LSPT understands that this section is intended to be limited to technical documents, that limitation is not made clear. Therefore, LSPT recommends that the word "technical" be inserted in the Section 11 heading – "Process for Approving Supporting *Technical* Documents." "Technical" should also be included in the first sentence, which LSPT recommends modifying as follows: "The NERC Standards Committee oversees the development and approval of *technical* documents identified as supporting documents to Reliability Standards approved by the Applicable Governmental Authority."

Likes 0

Dislikes 0

Response

LeRoy Patterson - Public Utility District No. 2 of Grant County, Washington - 6

Answer No

Document Name

Comment

Section 11.2 provides absolute veto power by NERC Staff regarding whether a document meets the numbered bullet items (1 - 3), thereby meeting requirements of a Supporting Document. There must be some means of appealing the decision of NERC Staff in this regard.

Perhaps, a Stakeholder proposing a supporting document that is unable or unwilling to address NERC Staff concerns could provide rationale for why he/she believes the document meets stated requirements to an appropriate technical committee or directly to the Standards Committee. This appeal process should require good faith efforts to address staff concerns, but if concerns remain unresolved, provide impartial representation and hearing in whatever the selected appellate forum by both the stakeholder and NERC Staff.

Likes 2 Public Utility District No. 2 of Grant County, Washington, 5, Ybarra Alex; Public Utility District No. 2 of Grant County, Washington, 4, McMackin Yvonne

Dislikes 0

Response

Joseph DePoorter - MGE Energy - Madison Gas and Electric Co. - 4, Group Name MRO NSRF

Answer No

Document Name

Comment

In the last paragraph of Section 11.1, it states, "Supporting documents do not include documents that contain specific compliance approaches or examples of compliance. Such documents would be developed in accordance with the applicable NERC Compliance Monitoring and Enforcement Program process". This statement is contrary to examples of evidence as in CIP-003-6, Attachment 2, as an example. We believe that complying with a NERC Standard should be as easy as possible for the responsible entity. The ERO (and its delegated parties) should make every attempt to assure that examples of what compliance MAY look like every chance they get. If the SPM calls it a "Reference" then fine, everything can be called a "reference". The Standard is there to support the Reliability of the BPS, not a compliance catch to see if the entity understands how to comply with a Standard.

Likes 0

Dislikes 0

### Response

**Michael Haff - Seminole Electric Cooperative, Inc. - 1,3,4,5,6 - FRCC**

**Answer**

No

**Document Name**

**Comment**

Adopt the comments of the National Rural Electric Cooperative Association (NRECA).

Likes 0

Dislikes 0

### Response

**Mark Riley - Associated Electric Cooperative, Inc. - 1, Group Name AECl & Member G&Ts**

**Answer**

No

**Document Name**

**Comment**

AECl & its member G&Ts support the National Rural Electric Cooperative Association's comments listed below:

In Section 11.2, NRECA strongly recommends that a time limit be added for how long NERC Reliability Standards Staff has to evaluate a supporting document. Without a time limit requirement, there is no incentive for NERC Reliability Standards Staff to act on the request. NRECA recommends that a 120 day time limit requirement be added for NERC staff to complete and announce publicly to the Standards Committee whether a supporting document has met the three criteria. Additionally, NERC staff should notify the requester within 10 days, after finishing their 120 day evaluation, what the next steps are as proposed in the paragraphs after the three criteria in Section 11.2.

Likes 0

Dislikes 0

### Response

**Douglas Webb - Douglas Webb On Behalf of: Chris Bridges, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; Harold Wyble, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; James McBee, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; Jessica Tucker, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; - Douglas Webb**

**Answer** No

**Document Name**

**Comment**

Industry relies on the Guidance and Technical Basis supporting documents—and the information they provide—to affirm the intent of the SDT and provide a basis for the standards and requirements which are posted for ballot.

At the time a Standard is enforceable, the guidance document's authority and value is not universally accepted in the same light by entities and the ERO. The authority of the document and information entities' relied upon in evaluating the proposed Standard, inform their vote, and guide implementation of the Standard, is inconsistently recognized by the ERO in compliance and enforcement matters.

The changes to Section 11 work to remedy this issue and provide a process based approach for supporting documentation; however, the revision language falls short by not affirmatively recognizing the weight and authority the supporting documents carry in a standard's balloting process and in strengthening BPS reliability and security.

Likes 0

Dislikes 0

**Response**

**Elizabeth Axson - Electric Reliability Council of Texas, Inc. - 2**

**Answer** No

**Document Name**

**Comment**

See comments for Question #8

Likes 0

Dislikes 0

**Response**

**Pamela Hunter - Southern Company - Southern Company Services, Inc. - 1,3,5,6 - SERC, Group Name Southern Company**

**Answer** No

**Document Name**

**Comment**



(a) The revised Section 11.0 seems to only contemplate new, prospective Supporting Documents yet to be developed. The Section does not address how an existing document would be treated in the NERC Reliability Standards Development Process if, for example, updates were required to harmonize the document with a revised version of a Reliability Standard. Standard Drafting Teams should have the discretion to make administrative or substantive revisions to existing documents as necessary. To remedy this concern, the SPM should include language affirming the Standard Drafting Team's ability to make such changes. Additionally, existing documents should be exempt from any new procedure whenever conforming/harmonizing revisions become necessary.

(b) The table, 11.1: Types of Supporting Documents, deletes the following titles and descriptions from the SPM: "Guideline", "Supplement", "Training Material", and "Procedure". Many SDTs develop "Guidelines and Technical Basis" documents as supplements to Reliability Standards. These supplements are very helpful in explaining the rationale behind new/modified requirements and in determining how best to implement new/modified requirements. With the removal of Guidelines from the SPM, will these documents now be separate from the Standards Development Process, or will they continue to be developed as "Reference" documents? Also, does this proposed revision alter the disposition of existing documents already vetted under the RSDP? It is not clear how the SPM treats existing documents. The SC and SCPS should clarify if existing documents are beyond the scope of this SPM revision or if they must be revised to conform to one of the three remaining or proposed "types" of Supporting Document - namely, "Reference", "Lessons Learned", or "White Paper" - in the event this proposal is approved.

(c) Proposed subsection 11.2: Process for Proposing and Evaluating Supporting Document provides three criteria for NERC Staff's review. The first criteria is based on the "type of supporting document subject to this Section". If taken literally, Table 11.1 will limit any submittal to one of three types - Reference, Lessons Learned, and White Paper. NERC should clarify if the limitation to one of three types of document was the desired intent.

Likes 0

Dislikes 0

**Response**

**Barry Lawson - National Rural Electric Cooperative Association - 3,4**

**Answer**

No

**Document Name**

**Comment**

In Section 11.2, NRECA strongly recommends that a time limit be added for how long NERC Reliability Standards Staff has to evaluate a supporting document. Without a time limit requirement, there is no incentive for NERC Reliability Standards Staff to act on the request. NRECA recommends that a 120 day time limit requirement be added for NERC staff to complete and announce publicly to the Standards Committee whether a supporting document has met the three criteria. Additionally, NERC staff should notify the requester within 10 days, after finishing their 120 day evaluation, what the next steps are as proposed in the paragraphs after the three criteria in Section 11.2.

Likes 0

Dislikes 0

**Response**

**John Seelke - LS Power Transmission, LLC - 1**

Answer	No
Document Name	
Comment	
Likes 0	
Dislikes 0	
Response	
Aaron Cavanaugh - Bonneville Power Administration - 1,3,5,6 - WECC	
Answer	Yes
Document Name	
Comment	
None	
Likes 0	
Dislikes 0	
Response	
Romel Aquino - Edison International - Southern California Edison Company - 3	
Answer	Yes
Document Name	
Comment	
None.	
Likes 0	
Dislikes 0	
Response	
David Kiguel - David Kiguel - 8	
Answer	Yes
Document Name	
Comment	

Likes 0

Dislikes 0

**Response**

**Andrew Gallo - Austin Energy - 6**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Steven Rueckert - Western Electricity Coordinating Council - 10**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Ruida Shu - Northeast Power Coordinating Council - 1,2,3,4,5,6,7,8,9,10 - NPCC, Group Name RSC no Dominion**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Karie Barczak - DTE Energy - Detroit Edison Company - 3, Group Name DTE Energy - DTE Electric**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Rachel Coyne - Texas Reliability Entity, Inc. - 10**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Michelle Amarantos - APS - Arizona Public Service Co. - 1**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Sean Bodkin - Dominion - Dominion Resources, Inc. - 6, Group Name Dominion**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Karl Blaszkowski - CMS Energy - Consumers Energy Company - 1,3,4,5**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**James Anderson - CMS Energy - Consumers Energy Company - 1,3,4,5**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**David Greyerbiehl - CMS Energy - Consumers Energy Company - 1,3,4,5**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Deborah VanDeventer - Edison International - Southern California Edison Company - 1,3,5,6 - WECC**

Answer	Yes
Document Name	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Chris Gowder - Chris Gowder On Behalf of: Carol Chinn, Florida Municipal Power Agency, 5, 6, 4, 3; David Schumann, Florida Municipal Power Agency, 5, 6, 4, 3; Joe McKinney, Florida Municipal Power Agency, 5, 6, 4, 3; Ken Simmons, Gainesville Regional Utilities, 1, 3, 5; Lynne Mila, City of Clewiston, 4; Randy Hahn, Ocala Utility Services, 3; Richard Montgomery, Florida Municipal Power Agency, 5, 6, 4, 3; Tom Reedy, Florida Municipal Power Pool, 6; - Chris Gowder, Group Name FMPA</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Michael Godbout - Hydro-Qu?bec TransEnergie - 1 - NPCC</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Lauren Price - American Transmission Company, LLC - 1</b>	
Answer	Yes
Document Name	
<b>Comment</b>	

Likes 0

Dislikes 0

**Response**

**David Ramkalawan - Ontario Power Generation Inc. - 5**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Shannon Mickens - Southwest Power Pool, Inc. (RTO) - 2 - SPP RE, Group Name SPP Standards Review Group**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Jamie Monette - Allete - Minnesota Power, Inc. - 1**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Brian Van Gheem - ACES Power Marketing - 6 - NA - Not Applicable, Group Name ACES Standards Collaborators**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**John Seelke - LS Power Transmission, LLC - 1**

**Answer**

**Document Name**

**Comment**

While LSPT understands that this section is intended to be limited to technical documents, that limitation is not made clear. Therefore, LSPT recommends that the word “technical” be inserted in the Section 11 heading – “Process for Approving Supporting *Technical* Documents.” “Technical” should also be included in the first sentence, which LSPT recommends modifying as follows: “The NERC Standards Committee oversees the development and approval of *technical* documents identified as supporting documents to Reliability Standards approved by the Applicable Governmental Authority.”

Likes 0

Dislikes 0

**Response**

**Thomas Rafferty - Edison International - Southern California Edison Company - 5**

**Answer**

**Document Name**

**Comment**

Please refer to comments submitted by Deborah VanDeventer on behalf of Southern California Edison.

Likes 0

Dislikes 0

**Response**

**Kenya Streeter - Edison International - Southern California Edison Company - 6**



<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
Please refer to comments submitted by Deborah VanDeventer on behalf of Southern California Edison	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Daniela Hammons - CenterPoint Energy Houston Electric, LLC - 1 - Texas RE</b>	
<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
<p>CenterPoint Energy does not agree with the revisions to Section 11.0 and is unclear why the proposed edits are necessary. The Company believes the deletion of "Guidelines" in particular from the type of supporting document identified under Section 11.0 creates confusion. This proposed deletion coupled with the separation of the "Guidelines and Technical Basis" section from the development of CIP-013 creates uncertainty regarding the status of this vital information moving forward. How will this information be developed in future? Who will "own" this information? Where will it be stored? How will it be reviewed, revised, and approved? Many registered entities utilize the "Guidelines and Technical Basis" section when reviewing a proposed Standard to better understand the Standard Drafting Team's intent. This information can be key in determining how to ballot a proposed Standard. There is reference in Section 11.0 to compliance approaches being developed "in accordance with the applicable NERC Compliance Monitoring and Enforcement Program process"; however, this process is unclear in the context of "Guidelines and Technical Basis". CenterPoint Energy recommends that the proposed edits to Section 11.0 be deleted until further clarification is shared with the industry.</p>	
Likes 0	
Dislikes 0	
<b>Response</b>	

8. Do you agree with the proposed process for vetting documents that may be posted as a supporting document to an approved Reliability Standard?

Barry Lawson - National Rural Electric Cooperative Association - 3,4

Answer No

Document Name

Comment

See comments above in question 7.

Likes 0

Dislikes 0

Response

Elizabeth Axson - Electric Reliability Council of Texas, Inc. - 2

Answer No

Document Name

Comment

Section 11.0 starts off with, 'The NERC Standards Committee oversees the development and approval of documents identified as supporting documents to Reliability Standards approved by the Applicable Governmental Authority.' The SRC believes that to better perform the oversight role, the Standards Committee should have more visibility into the supporting documents that are submitted into the process. As drafted the Standards Committee would only be notified of supporting documents that have passed an initial screening. The SRC suggests that NERC Reliability Staff provide reports to the Standards Committee on types of supporting evidence that are submitted, and establish a tracking tool to monitor how the vetting process is progressing that may include: entity submitting, topic of material and technical resources used to support the vetting process. An SDT should be obligated to make supporting documents available to stakeholders that they relied upon to arrive at a conclusion/proposal. The SRC believes this would provide for a more transparent process that will improve the supported current proposal.

Likes 0

Dislikes 0

Response

Mark Riley - Associated Electric Cooperative, Inc. - 1, Group Name AECI & Member G&Ts

Answer No

Document Name

Comment

Please reference NRECA's response to question 7.

Likes 0

Dislikes 0

### Response

**Chris Gowder - Chris Gowder On Behalf of: Carol Chinn, Florida Municipal Power Agency, 5, 6, 4, 3; David Schumann, Florida Municipal Power Agency, 5, 6, 4, 3; Joe McKinney, Florida Municipal Power Agency, 5, 6, 4, 3; Ken Simmons, Gainesville Regional Utilities, 1, 3, 5; Lynne Mila, City of Clewiston, 4; Randy Hahn, Ocala Utility Services, 3; Richard Montgomery, Florida Municipal Power Agency, 5, 6, 4, 3; Tom Reedy, Florida Municipal Power Pool, 6; - Chris Gowder, Group Name FMPA**

Answer

No

Document Name

### Comment

Supporting documents should be posted for stakeholder comment regardless of whether they are being developed alongside development of an associated Reliability Standard or separately. As currently drafted, it is not clear whether a public comment period is required to achieve "adequate stakeholder review". We believe it should be.

Likes 0

Dislikes 0

### Response

**Michael Haff - Seminole Electric Cooperative, Inc. - 1,3,4,5,6 - FRCC**

Answer

No

Document Name

### Comment

Adopt the comments of the National Rural Electric Cooperative Association (NRECA).

Likes 0

Dislikes 0

### Response

**Joseph DePoorter - MGE Energy - Madison Gas and Electric Co. - 4, Group Name MRO NSRF**

Answer

No

Document Name

**Comment**

Supporting Documentation may contain examples of a certain way an applicable entity could become compliant with the Standard. There is really no one size fits all approach for every entity to do the same thing and everyone be compliant. FERC Order 693 section 253 states that in order to be compliant you need to satisfy the Requirement. FERC also said in FERC Order 706, section 73, that “Measures are intended to gauge or document compliance, failure to meet a Measure is almost always going to result in a violation”. The SPM should expand the example of possible compliance actions an entity could use to be compliant.

Likes 1

Larry Heckert, N/A, Heckert Larry

Dislikes 0

**Response****LeRoy Patterson - Public Utility District No. 2 of Grant County, Washington - 6****Answer**

No

**Document Name****Comment**

Please refer to response to question 7.

Likes 2

Public Utility District No. 2 of Grant County, Washington, 5, Ybarra Alex; Public Utility District No. 2 of Grant County, Washington, 4, McMackin Yvonne

Dislikes 0

**Response****Thomas Foltz - AEP - 5****Answer**

No

**Document Name****Comment**

Supporting documentation, white papers for example, are often voluminous and/or fairly complex. The existing 45 day comment period is more appropriate than the proposed 30 days, and would allow industry to develop and provide more meaningful input.

Likes 0

Dislikes 0

**Response****Romel Aquino - Edison International - Southern California Edison Company - 3**

Answer	Yes
Document Name	
<b>Comment</b>	
None.	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Aaron Cavanaugh - Bonneville Power Administration - 1,3,5,6 - WECC</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
None	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Pamela Hunter - Southern Company - Southern Company Services, Inc. - 1,3,5,6 - SERC, Group Name Southern Company</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Brian Van Gheem - ACES Power Marketing - 6 - NA - Not Applicable, Group Name ACES Standards Collaborators</b>	
Answer	Yes
Document Name	
<b>Comment</b>	

Likes 0

Dislikes 0

**Response**

**Jamie Monette - Allele - Minnesota Power, Inc. - 1**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Douglas Webb - Douglas Webb On Behalf of: Chris Bridges, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; Harold Wyble, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; James McBee, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; Jessica Tucker, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; - Douglas Webb**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Shannon Mickens - Southwest Power Pool, Inc. (RTO) - 2 - SPP RE, Group Name SPP Standards Review Group**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**David Ramkalawan - Ontario Power Generation Inc. - 5**

Answer Yes

Document Name

Comment

Likes 0

Dislikes 0

Response

**Lauren Price - American Transmission Company, LLC - 1**

Answer Yes

Document Name

Comment

Likes 0

Dislikes 0

Response

**Michael Godbout - Hydro-Qu?bec TransEnergie - 1 - NPCC**

Answer Yes

Document Name

Comment

Likes 0

Dislikes 0

Response

**Deborah VanDeventer - Edison International - Southern California Edison Company - 1,3,5,6 - WECC**

Answer Yes

Document Name

Comment

Likes 0

Dislikes 0

**Response**

**David Greyerbiehl - CMS Energy - Consumers Energy Company - 1,3,4,5**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**James Anderson - CMS Energy - Consumers Energy Company - 1,3,4,5**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Karl Blaszkowski - CMS Energy - Consumers Energy Company - 1,3,4,5**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**



**Sean Bodkin - Dominion - Dominion Resources, Inc. - 6, Group Name Dominion**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Michelle Amarantos - APS - Arizona Public Service Co. - 1**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Rachel Coyne - Texas Reliability Entity, Inc. - 10**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Karie Barczak - DTE Energy - Detroit Edison Company - 3, Group Name DTE Energy - DTE Electric**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Ruida Shu - Northeast Power Coordinating Council - 1,2,3,4,5,6,7,8,9,10 - NPCC, Group Name RSC no Dominion**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Steven Rueckert - Western Electricity Coordinating Council - 10**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Andrew Gallo - Austin Energy - 6**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**John Seelke - LS Power Transmission, LLC - 1**

Answer	Yes
Document Name	
Comment	
Likes 0	
Dislikes 0	
Response	
<b>John Seelke - LS Power Transmission, LLC - 1</b>	
Answer	Yes
Document Name	
Comment	
Likes 0	
Dislikes 0	
Response	
<b>David Kiguel - David Kiguel - 8</b>	
Answer	Yes
Document Name	
Comment	
Likes 0	
Dislikes 0	
Response	
<b>Kenya Streeter - Edison International - Southern California Edison Company - 6</b>	
Answer	
Document Name	
Comment	
Please refer to comments submitted by Deborah VanDeventer on behalf of Southern California Edison	

Likes 0

Dislikes 0

**Response**

**Thomas Rafferty - Edison International - Southern California Edison Company - 5**

**Answer**

**Document Name**

**Comment**

Please refer to comments submitted by Deborah VanDeventer on behalf of Southern California Edison.

Likes 0

Dislikes 0

**Response**

**9. Do you have any other comments concerning Section 11.0 of the SPM?**

**John Seelke - LS Power Transmission, LLC - 1**

**Answer**

**Document Name**

**Comment**

No.

Likes 0

Dislikes 0

**Response**

**David Kiguel - David Kiguel - 8**

**Answer**

**Document Name**

**Comment**

The plural word "criteria" is repeatedly used in Section 11.2 to refer to the singular. The correct singular word is "criterion." I suggest correcting.

Likes 0

Dislikes 0

**Response**

**John Seelke - LS Power Transmission, LLC - 1**

**Answer**

**Document Name**

**Comment**

No.

Likes 0

Dislikes 0

**Response**

**Aaron Cavanaugh - Bonneville Power Administration - 1,3,5,6 - WECC**

**Answer**

**Document Name**

**Comment**

None

Likes 0

Dislikes 0

**Response**

**John Seelke - LS Power Transmission, LLC - 1**

**Answer**

**Document Name**

**Comment**

No

Likes 0

Dislikes 0

**Response**

**LeRoy Patterson - Public Utility District No. 2 of Grant County, Washington - 6**

**Answer**

**Document Name**

**Comment**

No

Likes 2

Public Utility District No. 2 of Grant County, Washington, 5, Ybarra Alex; Public Utility District No. 2 of Grant County, Washington, 4, McMackin Yvonne

Dislikes 0

**Response**

**Thomas Foltz - AEP - 5**

**Answer**

**Document Name****Comment**

AEP's negative votes are primarily driven by our objections to reducing the turnaround time to less than 45 days for comment periods associated with Interpretations and Supporting Documentation.

Likes 0

Dislikes 0

**Response**

**Ruida Shu - Northeast Power Coordinating Council - 1,2,3,4,5,6,7,8,9,10 - NPCC, Group Name** RSC no Dominion

**Answer****Document Name****Comment**

Please consider using a term other than "Lesson Learned" as a type of document. If the objective of the "Lesson Learned" document is to convey implementation information, then the type of document could be "implementation information" or "implementation considerations" or "implementation references." The term "Lesson Learned" is already used in the ERO Event Analysis Process.

Likes 0

Dislikes 0

**Response**

**Shelby Wade - PPL NERC Registered Affiliates - 1,3,5,6 - SERC,RF, Group Name** PPL NERC Registered Affiliates

**Answer****Document Name****Comment**

Yes, we have the following five (5) comments concerning Section 11 (Process for Approving Supporting Documents):

1. For the types of documents that were struck from Section 11.1 ("Guideline", "Supplement", "Training Material", and "Procedure"), please provide clarification on where these types of documents will now be classified (i.e. as a "Reference" document or through the NERC Compliance Monitoring and Enforcement Program process). As one example, within EOP-011-1, what type of document would "Application Guidelines: Guidelines and Technical Basis" be considered under the proposed revisions? As another example, within BAL-003-1, what type of document would "Attachment A: BAL-003-1 Frequency Response & Frequency Bias Setting Standard Supporting Document" be considered under the proposed revisions?
  - i. If the "Guidelines and Technical Basis" (i.e. "Application Guidelines: Guidelines and Technical Basis and Attachment A: BAL-003-1) would be considered a part of the NERC Compliance Monitoring and Enforcement Program process as part of the proposed revisions to the SPM, we strongly disagree with the proposed revisions, since that would not provide industry an opportunity to comment and vote on changes to such guidelines.

- ii. To provide clarity on what is the nature and extent of the proposed changes in Section 11, we request that NERC provide either a complete or illustrative list of “supporting documents,” and show in which “type of document” they are currently categorized, their proposed category, and what SPM or other process will be applicable to them in the future. Specifically, please provide clarity with respect to how changes to Section 11 relate to the documents provided on the NERC website in the Compliance & Enforcement / Compliance Guidance program area and the Compliance Guidance Policy. Please note that the NERC Compliance guidance Policy (Effective November 5, 2015) contains on page 3 a discussion of Section 11 of the SPM.
- 2. The language describing the “Reference” documents is unclear as to what kind of information would meet this definition. Expounding upon the description and providing examples of documents that would be classified in this category would clarify what is encompassed in “Supporting Documents” subject to the process under Section 11.
- 3. The Drafting Team Reference Manual (Version 3, October 19, 2016) (DTRM) includes several pages entitled “Parts of the Results-Based Standard” which provides an itemized description of each “part of the results-based NERC Reliability Standard.” *Section F – References* includes “a form or other document to support the implementation of a standard.” Additionally, “Supplemental Material” is also listed as a “Part of the Results-Based Standard” in the DTRM and indicates “Documents that should appear in this section are as follows: Application Guidelines, Guidelines and Technical Basis, Training Material, Reference Material, and/or other Supplemental Material.” Therefore, the proposed revisions to Section 11 of the SPM are not consistent with the DTRM. We suggest that NERC propose modifications to the DTRM consistent with the instant proposal and post both documents concurrently to ensure consistency.
- 4. The second criteria in the second paragraph of Section 11.2 (Process for Proposing and Evaluating Supporting Documents) requires NERC Staff to judge whether the proposed supporting document is consistent “with the purpose and intent” of the associated Reliability Standard. Each Reliability Standard has a “Purpose” section, but it is unclear what will be used as a reference to judge “intent” of a Reliability Standard.
- 5. The last part of the process in Section 11.2 (Process for Proposing and Evaluating Supporting Documents) provides for a submitter to modify the proposed supporting documents after sufficient stakeholder review, in which case NERC Staff “may” post the document for additional comment periods. Since sufficient stakeholder review is the goal, the process should be that modified proposed supporting document also be available for stakeholder comment. As such, we propose the sentence be modified to “...NERC Staff will post the document for additional comment periods...”

Likes 0

Dislikes 0

**Response**

**Joseph DePoorter - MGE Energy - Madison Gas and Electric Co. - 4, Group Name MRO NSRF**

**Answer**

**Document Name**

**Comment**

None

Likes 0

Dislikes 0

**Response**

**Karie Barczak - DTE Energy - Detroit Edison Company - 3, Group Name DTE Energy - DTE Electric**

**Answer**

**Document Name**



**Comment**

No

Likes 0

Dislikes 0

**Response****Sean Bodkin - Dominion - Dominion Resources, Inc. - 6, Group Name Dominion****Answer****Document Name****Comment**

Dominion suggests adding that documents issued by other groups (i.e. Reliability Guidelines issued by the Operating and Planning Committees) that are not related to a specific Standard be included in the exclusionary sentence immediately after the table in section 11.1.

Likes 0

Dislikes 0

**Response****James Anderson - CMS Energy - Consumers Energy Company - 1,3,4,5****Answer****Document Name****Comment**

None.

Likes 0

Dislikes 0

**Response****Thomas Rafferty - Edison International - Southern California Edison Company - 5****Answer****Document Name****Comment**

Please refer to comments submitted by Deborah VanDeventer on behalf of Southern California Edison.

Likes 0

Dislikes 0

**Response**

**Romel Aquino - Edison International - Southern California Edison Company - 3**

**Answer**

**Document Name**

**Comment**

None.

Likes 0

Dislikes 0

**Response**

**Kenya Streeter - Edison International - Southern California Edison Company - 6**

**Answer**

**Document Name**

**Comment**

Please refer to comments submitted by Deborah VanDeventer on behalf of Southern California Edison

Likes 0

Dislikes 0

**Response**

**Lauren Price - American Transmission Company, LLC - 1**

**Answer**

**Document Name**

**Comment**

None

Likes 0

Dislikes 0

**Response**

**Douglas Webb - Douglas Webb On Behalf of: Chris Bridges, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; Harold Wyble, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; James McBee, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; Jessica Tucker, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; - Douglas Webb**

**Answer**

**Document Name**

**Comment**

None.

Likes 0

Dislikes 0

**Response**

**Shannon Mickens - Southwest Power Pool, Inc. (RTO) - 2 - SPP RE, Group Name SPP Standards Review Group**

**Answer**

**Document Name**

**Comment**

We would like to see more clarity on if the Reliability Guidelines (especially the Functional Model) falls under this purview. If so, we recommend that this information be listed in this section of the document.

Likes 0

Dislikes 0

**Response**

**Jamie Monette - Allete - Minnesota Power, Inc. - 1**

**Answer**

**Document Name**

**Comment**

No

Likes 0

Dislikes 0

**Response**

**Brian Van Gheem - ACES Power Marketing - 6 - NA - Not Applicable, Group Name** ACES Standards Collaborators

**Answer**

**Document Name**

**Comment**

The current approach using the addition of calendar days does not recognized Federal holidays or the possibility of office closures and scheduled vacations. Historically, there has been a push to address commenting periods before the end of the year, and a 30-day commenting period during the months of November and December are burdensome. We concur that a minimum 30-day period is ample time for commenting on an interpretation, with the condition that the commenting period ends on the first business day following a specific calendar date of each month, such as the 15th. For example, a posting for comment on May 1st would therefore end on June 15th.

Likes 0

Dislikes 0

**Response**

**Pamela Hunter - Southern Company - Southern Company Services, Inc. - 1,3,5,6 - SERC, Group Name** Southern Company

**Answer**

**Document Name**

**Comment**

No.

Likes 0

Dislikes 0

**Response**

10. Do you agree that an appellant should be able to withdraw its Level 1 or Level 2 appeal under Section 8 of the SPM by providing written notice to the NERC Director of Standards?

Douglas Webb - Douglas Webb On Behalf of: Chris Bridges, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; Harold Wyble, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; James McBee, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; Jessica Tucker, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; - Douglas Webb

Answer Yes

Document Name

Comment

KCP&L's affirmative position is not without concern.

The Standard drafting appeal option is important to the integrity of the drafting process; it is also a powerful option that allows a single entity to disrupt or delay the drafting process. The company sees the value of withdrawing an appeal in the event the issues on appeal are resolved but also can see the efficiencies and resource optimization sought by the withdrawal provision being unrealized should entities have an easy out and begin to look at leveraging appeals for purposes of disruption and delay.

The proposed Section 8 revision is without limitation and provides that the appellant may withdraw its complaint without explanation and without any specific reason; it only requires the notice is made prior to issuance of the written notice. For Section 8 to fully address the frivolous appeals scenario, the revisions would likely add undesired complexity to the process. To reconcile the view of providing a withdrawal option on resolution of the conditions that gave rise to the appeal with the view of the potential for abuse for the sole purpose of disruption and delay, the company suggests requiring appellants provide in their withdrawal notice what conditions have changed to precipitate the withdrawal. Such a requirement does not seem onerous and provides some level of accountability. Moreover, it is informative when considering future revisions to Section 8 or the Standards drafting process.

Suggested Language:

At any time prior to receiving the written response to the Level 1 Appeal, an appellant may withdraw the Level 1 Appeal with written notice to the Director of Standards. The notice shall identify what conditions have changed since submitting the complaint and have precipitated the appellant's notice of withdrawal.

Likes 0

Dislikes 0

Response

Aaron Cavanaugh - Bonneville Power Administration - 1,3,5,6 - WECC

Answer Yes

Document Name

Comment

None

Likes 0

Dislikes 0

**Response**

**Barry Lawson - National Rural Electric Cooperative Association - 3,4**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Pamela Hunter - Southern Company - Southern Company Services, Inc. - 1,3,5,6 - SERC, Group Name Southern Company**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Brian Van Gheem - ACES Power Marketing - 6 - NA - Not Applicable, Group Name ACES Standards Collaborators**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Jamie Monette - Allete - Minnesota Power, Inc. - 1**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**David Ramkalawan - Ontario Power Generation Inc. - 5**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Shannon Mickens - Southwest Power Pool, Inc. (RTO) - 2 - SPP RE, Group Name SPP Standards Review Group**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Mark Riley - Associated Electric Cooperative, Inc. - 1, Group Name AECI & Member G&Ts**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Lauren Price - American Transmission Company, LLC - 1**

Answer Yes

Document Name

Comment

Likes 0

Dislikes 0

Response

**Romel Aquino - Edison International - Southern California Edison Company - 3**

Answer Yes

Document Name

Comment

Likes 0

Dislikes 0

Response

**David Greyerbiehl - CMS Energy - Consumers Energy Company - 1,3,4,5**

Answer Yes

Document Name

Comment

Likes 0

Dislikes 0

Response

**Deborah VanDeventer - Edison International - Southern California Edison Company - 1,3,5,6 - WECC**

Answer Yes

Document Name

Comment



Likes 0

Dislikes 0

**Response**

**Michael Haff - Seminole Electric Cooperative, Inc. - 1,3,4,5,6 - FRCC**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Chris Gowder - Chris Gowder On Behalf of: Carol Chinn, Florida Municipal Power Agency, 5, 6, 4, 3; David Schumann, Florida Municipal Power Agency, 5, 6, 4, 3; Joe McKinney, Florida Municipal Power Agency, 5, 6, 4, 3; Ken Simmons, Gainesville Regional Utilities, 1, 3, 5; Lynne Mila, City of Clewiston, 4; Randy Hahn, Ocala Utility Services, 3; Richard Montgomery, Florida Municipal Power Agency, 5, 6, 4, 3; Tom Reedy, Florida Municipal Power Pool, 6; - Chris Gowder, Group Name FMPA**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Michael Godbout - Hydro-Quebec TransEnergie - 1 - NPCC**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**James Anderson - CMS Energy - Consumers Energy Company - 1,3,4,5**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Karl Blaszkowski - CMS Energy - Consumers Energy Company - 1,3,4,5**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Rachel Coyne - Texas Reliability Entity, Inc. - 10**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Michelle Amarantos - APS - Arizona Public Service Co. - 1**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Sean Bodkin - Dominion - Dominion Resources, Inc. - 6, Group Name** Dominion

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Joseph DePoorter - MGE Energy - Madison Gas and Electric Co. - 4, Group Name** MRO NSRF

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Karie Barczak - DTE Energy - Detroit Edison Company - 3, Group Name** DTE Energy - DTE Electric

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Shelby Wade - PPL NERC Registered Affiliates - 1,3,5,6 - SERC,RF, Group Name PPL NERC Registered Affiliates**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Ruida Shu - Northeast Power Coordinating Council - 1,2,3,4,5,6,7,8,9,10 - NPCC, Group Name RSC no Dominion**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Steven Rueckert - Western Electricity Coordinating Council - 10**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**LeRoy Patterson - Public Utility District No. 2 of Grant County, Washington - 6**

**Answer** Yes

**Document Name**

**Comment**

Likes 2	Public Utility District No. 2 of Grant County, Washington, 5, Ybarra Alex; Public Utility District No. 2 of Grant County, Washington, 4, McMackin Yvonne
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Dislikes 0	
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**Response**

**Andrew Gallo - Austin Energy - 6**

Answer	Yes
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Document Name	
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**Comment**

Likes 0	
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Dislikes 0	
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**Response**

**John Seelke - LS Power Transmission, LLC - 1**

Answer	Yes
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Document Name	
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**Comment**

Likes 0	
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Dislikes 0	
------------	--

**Response**

**John Seelke - LS Power Transmission, LLC - 1**

Answer	Yes
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Document Name	
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**Comment**

Likes 0	
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Dislikes 0	
------------	--

**Response**

**David Kiguel - David Kiguel - 8**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Kenya Streeter - Edison International - Southern California Edison Company - 6**

**Answer**

**Document Name**

**Comment**

Please refer to comments submitted by Deborah VanDeventer on behalf of Southern California Edison

Likes 0

Dislikes 0

**Response**

**Thomas Rafferty - Edison International - Southern California Edison Company - 5**

**Answer**

**Document Name**

**Comment**

Please refer to comments submitted by Deborah VanDeventer on behalf of Southern California Edison.

Likes 0

Dislikes 0

**Response**

**11. Do you have any comments concerning the non-substantive updates to Sections 2.1 and 3.7 of the SPM?**

**John Seelke - LS Power Transmission, LLC - 1**

**Answer**

**Document Name**

**Comment**

No.

Likes 0

Dislikes 0

**Response**

**John Seelke - LS Power Transmission, LLC - 1**

**Answer**

**Document Name**

**Comment**

No.

Likes 0

Dislikes 0

**Response**

**Andrew Gallo - Austin Energy - 6**

**Answer**

**Document Name**

Revisions to the NERC Standard Processes Manual SP-Appendix\_3A\_StandardsProcessesManual\_clean(3-2-17 - Austin Energy).docx

**Comment**

Please see Austin Energy's comments regarding the proposed revisions (attached).

Likes 0

Dislikes 0

**Response**

**Aaron Cavanaugh - Bonneville Power Administration - 1,3,5,6 - WECC**

Answer

Document Name

Comment

None

Likes 0

Dislikes 0

Response

**LeRoy Patterson - Public Utility District No. 2 of Grant County, Washington - 6**

Answer

Document Name

Comment

No

Likes 2

Public Utility District No. 2 of Grant County, Washington, 5, Ybarra Alex; Public Utility District No. 2 of Grant County, Washington, 4, McMackin Yvonne

Dislikes 0

Response

**John Seelke - LS Power Transmission, LLC - 1**

Answer

Document Name

Comment

No

Likes 0

Dislikes 0

Response

**Shelby Wade - PPL NERC Registered Affiliates - 1,3,5,6 - SERC,RF, Group Name PPL NERC Registered Affiliates**

Answer



<b>Document Name</b>	
<b>Comment</b>	
Yes. Section 2.1 (Definition of a Reliability Standard) should be simplified to reference the NERC Rules of Procedures Section 200 rather than reiterating the Rules of Procedure definition in the SPM, since it may give the appearance that the term is being defined by the SPM. Additionally, this will eliminate the need to update this section of the SPM in the future, eliminate duplication, and remove the possibility of error when replicating the definition in the SPM.	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Joseph DePoorter - MGE Energy - Madison Gas and Electric Co. - 4, Group Name MRO NSRF</b>	
<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
None	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Karie Barczak - DTE Energy - Detroit Edison Company - 3, Group Name DTE Energy - DTE Electric</b>	
<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
No	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>James Anderson - CMS Energy - Consumers Energy Company - 1,3,4,5</b>	
<b>Answer</b>	

<b>Document Name</b>	
<b>Comment</b>	
None.	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Michael Haff - Seminole Electric Cooperative, Inc. - 1,3,4,5,6 - FRCC</b>	
<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
In the definition of "Reliability Standard" in Section 2.1 on page 6 of the redlined version, capital "Facilities" has been revised to lowercase "facilities". I wanted to discuss whether NERC is doing this purposely so that it may be able to argue that it can expand its reach past the defined term BES Facilities.	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Michael Godbout - Hydro-Qu?bec TransEnergie - 1 - NPCC</b>	
<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
Governments in different provinces do not necessarily approve standards, etc. By statute or regulation, they endow governmental authorities to do so on their behalf. Also, no authority approves a withdrawn Reliability Standard, it approves the withdrawal of a Reliability Standard. Finally, the structure of the edit "that have recognized... ERO have the authority" could be made clearer.	
We suggest the following text:	
"A governmental authority has the authority in its jurisdiction, by statute or regulation, to approve and withdraw Reliability Standards, definitions, Variances, VRF, VSL and Interpretations following their adoption, approval or withdrawal by the NERC Board of Trustees. For example, the Federal Energy Regulatory Commission ("FERC") is the governmental authority in the United States of America."	
Likes 0	
Dislikes 0	

**Response**

**Thomas Rafferty - Edison International - Southern California Edison Company - 5**

**Answer**

**Document Name**

**Comment**

Please refer to comments submitted by Deborah VanDeventer on behalf of Southern California Edison.

Likes 0

Dislikes 0

**Response**

**Romel Aquino - Edison International - Southern California Edison Company - 3**

**Answer**

**Document Name**

**Comment**

None.

Likes 0

Dislikes 0

**Response**

**Kenya Streeter - Edison International - Southern California Edison Company - 6**

**Answer**

**Document Name**

**Comment**

Please refer to comments submitted by Deborah VanDeventer on behalf of Southern California Edison

Likes 0

Dislikes 0

**Response**

**Lauren Price - American Transmission Company, LLC - 1**

**Answer**

**Document Name**

**Comment**

None

Likes 0

Dislikes 0

**Response**

**Deborah VanDeventer - Edison International - Southern California Edison Company - 1,3,5,6 - WECC**

**Answer**

**Document Name**

**Comment**

No comments or concerns for Section 2.1 and 3.7 changes.

Likes 0

Dislikes 0

**Response**

**Shannon Mickens - Southwest Power Pool, Inc. (RTO) - 2 - SPP RE, Group Name SPP Standards Review Group**

**Answer**

**Document Name**

**Comment**

As for Section 2.1, we recommend that the Guideline Technical Basis (GTB) Section be mentioned in the definition of a Reliability Standard. This is an integral part of the Standard as it explains the drafting team's intent for developing a particular Requirement.

Likes 0

Dislikes 0

**Response**

Douglas Webb - Douglas Webb On Behalf of: Chris Bridges, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; Harold Wyble, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; James McBee, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; Jessica Tucker, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; - Douglas Webb

**Answer**

**Document Name**

**Comment**

None.

Likes 0

Dislikes 0

**Response**

**Jamie Monette - Allete - Minnesota Power, Inc. - 1**

**Answer**

**Document Name**

**Comment**

No

Likes 0

Dislikes 0

**Response**

**Brian Van Gheem - ACES Power Marketing - 6 - NA - Not Applicable, Group Name ACES Standards Collaborators**

**Answer**

**Document Name**

**Comment**

(1) The blank pages and orphan citations embedded within the document should be removed. We identify Sections 10.7 (Figure 3) on page 42 and 10.14 (Figure 4) on page 45 as examples.

(2) Unless initiated by a FERC directive or detection of a flawed Reliability Standard that causes reliability-related concerns or is a burden for Industry to implement, we believe a certain time period should pass between standard revisions to allow existing standards time to mature. The current frequency of once every five years from the effective date of the Reliability Standard or the date of Board adoption does not account for the transition of many standards with scalable implementation periods. Furthermore, we believe a risk-based approach should be used to select standards for revision. This would then focus standard development projects on retiring requirements that are identified as low risk of occurrence and as low risk to the reliable operations and planning of the Bulk Electric System and its Cyber Systems.

(3) We thank you for this opportunity to provide these comments.

Likes 0

Dislikes 0

**Response**

**Pamela Hunter - Southern Company - Southern Company Services, Inc. - 1,3,5,6 - SERC, Group Name Southern Company**

**Answer**

**Document Name**

**Comment**

No.

Likes 0

Dislikes 0

**Response**

## Consideration of Comments

<b>Project Name:</b>	NERC Standard Processes Manual   Sections 2.1, 3.7, 6, 7, 8 & 11
<b>Comment Period Start Date:</b>	3/20/2017
<b>Comment Period End Date:</b>	5/3/2017
<b>Associated Ballots:</b>	NERC Standard Processes Manual Sections 2.1, 3.7, 6, 7, 8 & 11 IN 1 OT

There were 42 sets of responses, including comments from approximately 129 different people from approximately 92 companies representing 10 of the Industry Segments as shown in the table on the following pages.

## Questions

- [1. Do you agree with the revisions to Section 6.0 of the SPM?](#)
- [2. Do you agree the technical committees \(e.g., Operating Committee, Planning Committee, and Critical Infrastructure Protection Committee\) should administer the Field Tests?](#)
- [3. Do you have any other comments concerning Section 6.0 of the SPM?](#)
- [4. Do you agree with the revisions to Section 7.0 of the SPM?](#)
- [5. Do you agree with the proposed process for posting and balloting Interpretations?](#)
- [6. Do you have any other comments concerning Section 7.0 of the SPM?](#)
- [7. Do you agree with the revisions to Section 11.0 of the SPM?](#)
- [8. Do you agree with the proposed process for vetting documents that may be posted as a supporting document to an approved Reliability Standard?](#)
- [9. Do you have any other comments concerning Section 11.0 of the SPM?](#)
- [10. Do you agree that an appellant should be able to withdraw its Level 1 or Level 2 appeal under Section 8 of the SPM by providing written notice to the NERC Director of Standards?](#)
- [11. Do you have any comments concerning the non-substantive updates to Sections 2.1 and 3.7 of the SPM?](#)



Organization Name	Name	Segment(s)	Region	Group Name	Group Member Name	Group Member Organization	Group Member Segment(s)	Group Member Region
ACES Power Marketing	Brian Van Gheem	6	NA - Not Applicable	ACES Standards Collaborators	Tara Lightner	Sunflower Electric Power Corporation	1	SPP RE
					Greg Froehling	Rayburn Country Electric Cooperative, Inc.	3	SPP RE
					Bob Solomon	Hoosier Energy Rural Electric Cooperative, Inc.	1	RF
					Mark Ringhausen	Mark Ringhausen	3,4	SERC
					John Shaver	Arizona Electric Power Cooperative, Inc.	1	WECC
					Bill Hutchison	Southern Illinois Power Cooperative	1	SERC

					Michael Brytowski	Great River Energy	1,3,5,6	MRO
					Ginger Mercier	Prairie Power, Inc.	1,3	SERC
					Laurel Heacock	Oglethorpe Power Corporation	5,6	SERC
					Kevin Lyons	Central Iowa Power Cooperative	1	MRO
					Scott Brame	North Carolina Electric Membership Corporation	3,4,5	SERC
Chris Gowder	Chris Gowder		FRCC	FMPA	Tim Beyrle	City of New Smyrna Beach	4	FRCC
					Jim Howard	Lakeland Electric	5	FRCC
					Lynne Mila	City of Clewiston	4	FRCC
					Javier Cisneros	Fort Pierce Utility Authority	3	FRCC
					Randy Hahn	Ocala Utility Services	3	FRCC

					Don Cuevas	Beaches Energy Services	1	FRCC
					Jeffrey Partington	Keys Energy Services	4	FRCC
					Tom Reedy	Florida Municipal Power Pool	6	FRCC
					Steve Lancaster	Beaches Energy Services	3	FRCC
					Mike Blough	Kissimmee Utility Authority	5	FRCC
					Mark Brown	City of Winter Park	4	FRCC
					Chris Adkins	City of Leesburg	3	FRCC
					Ginny Beigel	City of Vero Beach	9	FRCC
Duke Energy	Colby Bellville	1,3,5,6	FRCC,RF,SERC	Duke Energy	Doug Hils	Duke Energy	1	RF
					Lee Schuster	Duke Energy	3	FRCC
					Dale Goodwine	Duke Energy	5	SERC
					Greg Cecil	Duke Energy	6	RF
MGE Energy - Madison	Joseph DePoorter	4		MRO NSRF	Joseph DePoorter	MGE	1,2,3,4,5,6	MRO

Gas and Electric Co.					Joseph DePoorter	MGE	1,2,3,4,5,6	MRO
DTE Energy - Detroit Edison Company	Karie Barczak	3		DTE Energy - DTE Electric	Jeffrey Depriest	DTE Energy - DTE Electric	5	RF
					Daniel Herring	DTE Energy - DTE Electric	4	RF
					Karie Barczak	DTE Energy - DTE Electric	3	RF
Associated Electric Cooperative, Inc.	Mark Riley	1		AECI & Member G&Ts	Mark Riley	Associated Electric Cooperative, Inc.	1	SERC
					Brian Ackermann	Associated Electric Cooperative, Inc.	6	SERC
					Brad Haralson	Associated Electric Cooperative, Inc.	5	SERC
					Todd Bennett	Associated Electric Cooperative, Inc.	3	SERC
					Michael Bax	Central Electric Power	1	SERC

	Cooperative (Missouri)		
Adam Weber	Central Electric Power Cooperative (Missouri)	3	SERC
Ted Hilmes	KAMO Electric Cooperative	3	SERC
Walter Kenyon	KAMO Electric Cooperative	1	SERC
Stephen Pogue	M and A Electric Power Cooperative	3	SERC
William Price	M and A Electric Power Cooperative	1	SERC
Mark Ramsey	N.W. Electric Power Cooperative, Inc.	1	SERC
Kevin White	Northeast Missouri Electric	1	SERC

						Power Cooperative		
					Skyler Wiegmann	Northeast Missouri Electric Power Cooperative	3	SERC
					John Stickley	NW Electric Power Cooperative, Inc.	3	SERC
					Jeff Neas	Sho-Me Power Electric Cooperative	3	SERC
					Peter Dawson	Sho-Me Power Electric Cooperative	1	SERC
Southern Company - Southern Company Services, Inc.	Pamela Hunter	1,3,5,6	SERC	Southern Company	Katherine Prewitt	Southern Company Services, Inc.	1	SERC
					R. Scott Moore	Alabama Power Company	3	SERC
					William D. Shultz	Southern Company Generation	5	SERC

					Jennifer G. Sykes	Southern Company Generation and Energy Marketing	6	SERC
Northeast Power Coordinating Council	Ruida Shu	1,2,3,4,5,6,7,8,9,10	NPCC	RSC no Dominion	Paul Malozewski	Hydro One.	1	NPCC
					Guy Zito	Northeast Power Coordinating Council	NA - Not Applicable	NPCC
					Randy MacDonald	New Brunswick Power	2	NPCC
					Wayne Sipperly	New York Power Authority	4	NPCC
					Glen Smith	Entergy Services	4	NPCC
					Brian Robinson	Utility Services	5	NPCC
					Bruce Metruck	New York Power Authority	6	NPCC
					Alan Adamson	New York State	7	NPCC

	Reliability Council		
Edward Bedder	Orange & Rockland Utilities	1	NPCC
David Burke	Orange & Rockland Utilities	3	NPCC
Michele Tondalo	UI	1	NPCC
Sylvain Clermont	Hydro Quebec	1	NPCC
Si Truc Phan	Hydro Quebec	2	NPCC
Helen Lainis	IESO	2	NPCC
Laura Mcleod	NB Power	1	NPCC
Michael Forte	Con Edison	1	NPCC
Kelly Silver	Con Edison	3	NPCC
Peter Yost	Con Edison	4	NPCC
Brian O'Boyle	Con Edison	5	NPCC
Greg Campoli	NY-ISO	2	NPCC
Michael Schiavone	National Grid	1	NPCC
Michael Jones	National Grid	3	NPCC



					David Ramkalawan	Ontario Power Generation Inc.	5	NPCC
					Quintin Lee	Eversource Energy	1	NPCC
					Silvia Mitchell	NextEra Energy - Florida Power and Light Co.	6	NPCC
					Kathleen M. Goodman	ISO-NE	2	NPCC
Dominion - Dominion Resources, Inc.	Sean Bodkin	6		Dominion	Connie Lowe	Dominion - Dominion Resources, Inc.	3	NA - Not Applicable
					Lou Oberski	Dominion - Dominion Resources, Inc.	5	NA - Not Applicable
					Larry Nash	Dominion - Dominion Virginia Power	1	NA - Not Applicable
Southwest Power Pool, Inc. (RTO)	Shannon Mickens	2	SPP RE	SPP Standards	Shannon Mickens	Southwest Power Pool Inc.	2	SPP RE

				Review Group	Deborah McEndaffer	Midwest Energy, Inc	NA - Not Applicable	NA - Not Applicable
					Robert Gray	Board of Public Utilities (BPU) Kansas City, Kansas	3	SPP RE
					Rober Hirschak	Cleco	1,3,5,6	SPP RE
					Ellen Watkins	Sunflower Electric Power Corporation	1	SPP RE
PPL NERC Registered Affiliates	Shelby Wade	1,3,5,6	RF,SERC	PPL NERC Registered Affiliates	Charlie Freibert	LG&E and KU Energy, LLC	3	SERC
					Brenda Truhe	PPL Electric Utilities Corporation	1	RF
					Dan Wilson	LG&E and KU Energy, LLC	5	SERC
					Linn Oelker	LG&E and KU Energy, LLC	6	SERC

<b>1. Do you agree with the revisions to Section 6.0 of the SPM?</b>	
<b>LeRoy Patterson - Public Utility District No. 2 of Grant County, Washington - 6</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
<p>The new Section 6.2 "Communication and Coordination for All Types of Field Tests" states "After approval of the field test, the drafting team may request waivers of compliance for field test participants ...". This language leaves no room to identify and request waivers of compliance (waivers) at the time the field test is requested, when such waivers are known to be required as part conducting an effective field test.</p> <p>Waivers necessary for successful field test data collection, if known, should be identified at the time a field test is requested because such information informs the field test approval process. Further, if waivers are needed as part of a field test, then not receiving approval for them would render the field test ineffective and make a request for a field test inappropriate.</p>	
Likes 2	Public Utility District No. 2 of Grant County, Washington, 5, Ybarra Alex; Public Utility District No. 2 of Grant County, Washington, 4, McMackin Yvonne
Dislikes 0	
<b>Response</b>	
Thank you for your comment. The "after approval of the field test" language has been struck from the revised draft to allow for increased flexibility and coordination on compliance waiver requests. Please refer to Section 6.1.2 of revised draft.	
<b>Shelby Wade - PPL NERC Registered Affiliates - 1,3,5,6 - SERC,RF, Group Name PPL NERC Registered Affiliates</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Section 6.1.2 (Field Test Suspension for Reliability Concerns) sets forth the process related to situations in which the field test is stopped or modified because it is creating a reliability risk to the Bulk Power System. It provides that in order for a field test to be restarted after being stopped, the drafting team must resubmit the field test request and receive approval. However, it is unclear whether modification (not	

stoppage) would require resubmittal per Section 6.1.1 (Field Test Approval). If modification of the activity would also require resubmittal of the field test request, then the last sentence contained in Section 6.1.2 should be revised as follows: “Prior to the field test being restarted after it has been stopped or modified, the drafting team must resubmit the field test request and receive approval as outlined in Section 6.1.1.”

With regard to the public posting of the field test plan and reports and results, the last sentence in the proposed Section 6.2 (Communication and Coordination for All Types of Field Tests) should be revised to provide for a deliberate consideration of potential impact on security and reliability. The sentence should be revised as follows: “The field test plan and all reports and results (including the participant list) shall be publicly posted on the NERC web site, unless it is determined that such public posting would present reliability, confidentiality, or other concerns.”

Likes	0
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Dislikes	0
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**Response**

Thank you for your comment. Section 6.1.3 has been revised to provide the requested clarity. With respect to the Section 6.2 comment, the SPM revisions team believes that any reliability-related concerns are captured in the phrase “or other concerns.”

**Michelle Amarantos - APS - Arizona Public Service Co. – 1**

Answer	No
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Document Name	
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**Comment**

The added sentence on the first paragraph of section 6 should be revised to clarify that if a field test is run, drafting teams are required to analyze the collected data.

Likes	0
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Dislikes	0
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**Response**

Thank you for your comment. The referenced sentence is intended to clarify that drafting teams are not required to conduct field tests or to collect and analyze data in order to develop a new or revised Reliability Standard. The third bullet of Section 6.1.1 was modified to capture the concern raised in your comment.

**Michael Haff - Seminole Electric Cooperative, Inc. - 1,3,4,5,6 - FRCC**

**Answer** No

**Document Name**

**Comment**

Adopt the comments of the National Rural Electric Cooperative Association (NRECA).

Additionally, concerning the major changes to Section 6.0 starting on page 28:

- a. Before any field tests are performed, a cost/benefit analysis of any resulting regulation should be performed;
- b. All communications between the drafting team, NERC, and any testing contractors (or other related parties), should be publicly available unless they meet CEII, NERC CIP restricted, etc.; and
- c. There should be the potential for a peer-review process of any field test results.

Likes 0

Dislikes 0

**Response**

Thank you for your comment. Please see response to NRECA below.

With respect to your additional comments:

- a. The SPM revisions team does not believe adding language regarding cost/benefit analysis of resulting regulations would add clarity regarding the process for conducting field tests. The team notes, however, that a process for cost/benefit analysis is currently being developed and piloted as part of the standards development process.
- b. The proposed language requires the posting of all materials that are relevant to the standards development process, including field test plans, reports, results, and the participant list (where identifying the participants would not present confidentiality or other concerns). Further, drafting team meetings are open to the public. The SPM revisions team does not believe the posting of written communications as the commenter suggested would provide a benefit to the standard development process.

c. The proposed language allows flexibility for field test plans to incorporate peer review of field test results, if desired by the drafting team or the lead technical committee.

**Deborah VanDeventer - Edison International - Southern California Edison Company - 1,3,5,6 - WECC**

**Answer**

No

**Document Name**

**Comment**

SCE has concerns regarding the proposed revisions to Section 6, the “Process for Conducting field Tests”. The last sentence of the first paragraph in Section 6.0 states that “drafting teams are not required to collect and analyze data or to conduct a field test to validate a Reliability Standard.” This sentence is open to interpretation and should be clarified that drafting teams are accountable to conduct a field test when required to do so by an approved SAR. Additionally, in the event that a field test has the ability to expose the grid to reliability concern or does not provide sufficient information to formulate a conclusion, as identified in revision to Section 6.1.2 and 6.1.3, SCE believes the entire project should be recommended for withdrawal. Instead, the proposed revision gives the SDT the capability to move a project forward by terminating a field test with the approval of the lead NERC technical committee and only provide notification to the Standards Committee chair. In an extreme circumstance this could end with a new/ revised standard, with a failed or incomplete field test, moving onto the balloting phase of the standards development lifecycle. In this manner, the new language to Section 6 transfers the ultimate authority for the development of a standard from the Standards Committee, which approved a SAR with contingencies, to the lead NERC technical committee which may lack proper representation of the affected industry segments. SCE recognizes not every standard or requirement requires a field test, but in those rare instances where a field test is necessary to properly develop a standard and/ or requirement(s), as indicated by an approved SAR, the Standards Process Manual should not include provisions for a drafting team to fail to perform the field test.

Likes 0

Dislikes 0

**Response**

Thank you for your comment. The referenced sentence regarding drafting teams not being required to collect and analyze data is intended to clarify that drafting teams are not required to conduct field tests or to collect and analyze data in order to develop a new or revised Reliability Standard. The third bullet of Section 6.1.1 was modified to capture the concern raised in your comment regarding analysis of field test results. With respect to the second part of your comment, Section 4.6 of the SPM, which is not affected by the proposed revisions to

Section 6, provides assurance that proposed standards proceeding to formal posting and ballot are within the scope of their associated SAR(s) including any field test requirements specified therein. Section 4.6 requires a quality review of each standard and its associated elements to determine, among other things, whether it is within the scope of the associated SAR. This section requires the Standards Committee to provide its authorization before the formal posting and balloting of a proposed standard can begin, and it expressly provides that, “[i]f the Reliability Standard is outside the scope of the associated SAR, the drafting team shall be directed to either revise the Reliability Standard so it is within the approved scope, or submit a request to expand the scope of the approved SAR.”

**Romel Aquino - Edison International - Southern California Edison Company - 3**

**Answer** No

**Document Name**

**Comment**

Please refer to comments submitted by Deborah VanDeventer on behalf of Southern California Edison.

Likes 0

Dislikes 0

**Response**

Thank you for your comment. Please see response to Ms. VanDeventer above.

**Mark Riley - Associated Electric Cooperative, Inc. - 1, Group Name AECl & Member G&Ts**

**Answer** No

**Document Name**

**Comment**

AECl & its member G&Ts support the National Rural Electric Cooperative Association's comments listed below:  
Is the current SAR form set up properly for a field test-only request? It's unclear to us if it is.  
In 6.1, the second and third bullet, in the second bullet it states that the technical committee “oversees” the field test and then the in the third bullet it states that the field test is “conducted” by the drafting team. We believe this language is confusing on roles and responsibilities – what is the difference between “oversees” and “conducted” as used in these bullets? We believe that this needs to be clarified in this section so that the drafting team and the technical committee clearly understand their roles and responsibilities.

In 6.1.1, the first paragraph on page 29 of the redline, second sentence, the following language should be added at the end of the sentence “prior to conducting a field test.”

In the second paragraph on page 29 of the redline, first line, it’s unclear what “technical adequacy” means in this context. This should be explained further in this paragraph. In the same paragraph, 5th line, who is intended to receive the “communicating status” of the results of the field test? This should be made clear in this paragraph.

In the third paragraph on page 29 of the redline, first line, it states that the SC’s decision to approve the field test “shall be based solely.....” when the SC votes on the technical committee’s recommendation. Is the SC voting on process or technical issues here? It seems the SC should only be voting on process, not on evaluating technical issues. This paragraph might need to be revised to clarify what the SC is approving here as it relates to the authorities in the SC charter and other governing documents.

In Section 6.1.2, first sentence, the beginning of the sentence should be changed to “During the field test *being conducted by the drafting team.....* (new text is in italics and underlined)

On page 30 of the redline, in the new 6.2, first sentence, the following new text should be added – “After approval of the field test, *but prior to the start,.....* (new text is in italics and underlined.) Also on the 9th line of this paragraph the following new text should be added to “responsible for approving any modifications or terminations, *prior to any compliance PV’s that could be issued otherwise,.....* (new text is in italics and underlined)

Likes 0

Dislikes 0

### Response

Thank you for your comments. The SPM revisions team believes the current SAR form is sufficiently flexible to allow for SARs involving field tests. Any revisions that are found to be necessary could be incorporated through the existing Standards Committee processes for revising documents. With respect to your remaining comments:

6.1: The NERC technical committee provides general direction of the field test as the drafting team conducts (i.e., performs the day-to-day activities of) the field test. The specific nature of these activities may vary from field test to field test. Revisions have been made to address specific concerns regarding roles and responsibilities raised in the comments.

6.1.1.: The language has been revised to clarify that both approval steps must occur prior to the conduct of a field test. What specifically constitutes a “technically adequate” field test plan will vary from field test to field test, but generally it refers to whether the plan employs a technically sound approach toward addressing the relevant questions and whether the plan is designed to obtain results to form a valid conclusion. The language regarding communicating status and results of field tests has been deleted from this section, as Section 6.2



describes the roles for communication removed and coordination. The language regarding SC approval of field test plan requests has been clarified.

6.1.2 (6.1.3 in revised draft): The SPM revisions team does not believe the suggested language adds clarity.

6.2: The language has been revised to allow more flexibility regarding when field test waivers may be requested. The SPM revisions team does not believe the suggested language regarding compliance PVs adds clarity.

**Elizabeth Axson - Electric Reliability Council of Texas, Inc. – 2**

**Answer** No

**Document Name**

**Comment**

See comments for Question #3

Likes 0

Dislikes 0

**Response**

Thank you for your comment. Please see response under Question #3 below.

**Brian Van Gheem - ACES Power Marketing - 6 - NA - Not Applicable, Group Name ACES Standards Collaborators**

**Answer** No

**Document Name**

**Comment**

It appears the documents to support the request to conduct a field test are separate documents. We believe the implementation schedule and list of expectations for periodic updates should all be incorporated into the field test plan. Moreover, the test plan should identify upfront if the participant list will be made public at a later date or identify potential confidentiality and other concerns. Furthermore, we believe the test plan should be updated to reflect trial extensions as they occur.

Likes 0

Dislikes 0

**Response**

Thank you for your comment. The SPM revisions team believes the proposed language provides necessary flexibility, but agrees that any field test plan template developed to support this section could include each of these elements.

**Pamela Hunter - Southern Company - Southern Company Services, Inc. - 1,3,5,6 - SERC, Group Name Southern Company**

**Answer** No

**Document Name**

**Comment**

See Section 6.1.3. It is unclear as to why a field test would extend beyond the period of Standard development if the reason for conducting a field test is to validate concepts that form the basis for a new or revised NERC requirement. This is supported by the statement in Section 6.1 that the field test should be conducted prior to issuance of a SAR. So, it seems important enough to the authors of this SPM to have the results of the field test prior to even initiating the Standards development process. It seems to me that if a field test is initiated after the start of the Standards development process then the field test schedule would actually drive the Standard development schedule to a certain degree. They couldn't be independent.

Likes 0

Dislikes 0

**Response**

Thank you for your comment. The SPM revisions team has revised the language to clarify that any field test results must be made available at the time the standard is balloted. In some cases, a field test may continue past the final ballot of the standard to allow for the collection of additional data and information that could help support implementation and study of the standard up to and following regulatory approval.

**Barry Lawson - National Rural Electric Cooperative Association - 3,4**

**Answer** No

**Document Name**

**Comment**

NRECA has the following comments:  
Is the current SAR form set up properly for a field test-only request? It's unclear to us if it is.

In 6.1, the second and third bullet, in the second bullet it states that the technical committee “oversees” the field test and then the in the third bullet it states that the field test is “conducted” by the drafting team. We believe this language is confusing on roles and responsibilities – what is the difference between “oversees” and “conducted” as used in these bullets? We believe that this needs to be clarified in this section so that the drafting team and the technical committee clearly understand their roles and responsibilities.

In 6.1.1, the first paragraph on page 29 of the redline, second sentence, the following language should be added at the end of the sentence “prior to conducting a field test.”

In the second paragraph on page 29 of the redline, first line, it’s unclear what “technical adequacy” means in this context. This should be explained further in this paragraph. In the same paragraph, 5th line, who is intended to receive the “communicating status” of the results of the field test? This should be made clear in this paragraph.

In the third paragraph on page 29 of the redline, first line, it states that the SC’s decision to approve the field test “shall be based solely.....” when the SC votes on the technical committee’s recommendation. Is the SC voting on process or technical issues here? It seems the SC should only be voting on process, not on evaluating technical issues. This paragraph might need to be revised to clarify what the SC is approving here as it relates to the authorities in the SC charter and other governing documents.

In Section 6.1.2, first sentence, the beginning of the sentence should be changed to “During the field test *being conducted by the drafting team.....* (new text is in italics and underlined)

On page 30 of the redline, in the new 6.2, first sentence, the following new text should be added – “After approval of the field test, *but prior to the start,.....* (new text is in italics and underlined.) Also on the 9th line of this paragraph the following new text should be added to “responsible for approving any modifications or terminations, *prior to any compliance PV’s that could be issued otherwise,.....* (new text is in italics and underlined)

Likes	0
Dislikes	0

**Response**

Thank you for your comments. The SPM revisions team believes the current SAR form is sufficiently flexible to allow for SARs involving field tests. Any revisions that are found to be necessary could be incorporated through the existing Standards Committee processes for revising documents. With respect to your remaining comments:

6.1: The NERC technical committee provides general direction of the field test as the drafting team conducts (i.e., performs the day-to-day activities of) the field test. The specific nature of these activities may vary from field test to field test. Revisions have been made to address specific concerns regarding roles and responsibilities raised in the comments.

6.1.1.: The language has been revised to clarify that both approval steps must occur prior to the conduct of a field test. What specifically constitutes a “technically adequate” field test plan will vary from field test to field test, but generally it refers to whether the plan employs a technically sound approach toward addressing the relevant questions and whether the plan is designed to obtain results to form a valid conclusion. The language regarding communicating status and results of field tests has been deleted from this section, as Section 6.2 describes the roles for communication and coordination. The language regarding SC approval of field test plan requests has been clarified.  
 6.1.2 (Section 6.1.3 in revised draft): The SPM revisions team does not believe the suggested language adds clarity.  
 6.2: The language has been revised to allow more flexibility regarding when field test waivers may be requested. The SPM revisions team does not believe the suggested language regarding compliance PVs adds clarity.

**Aaron Cavanaugh - Bonneville Power Administration - 1,3,5,6 - WECC**

<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
None	
Likes	0
Dislikes	0

**Response**

Thank you.

**Joseph DePoorter - MGE Energy - Madison Gas and Electric Co. - 4, Group Name MRO NSRF**

<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
We question if a field test would ever make an entity non-compliant with an existing Standard? If so, should there be a section on making the field testing entity exempt from being found non-compliant with an effective Standard during the field test? We believe this wording should be within Section 6.	
Likes	0

Dislikes	0
<b>Response</b>	
Thank you for your comment. Section 6.1.2 of the revised draft (Section 6.3 of the currently-enforceable SPM) contemplates that an entity may be unable to comply with an existing Reliability Standard Requirement due to its participation in the field test, and therefore provides that compliance waivers may be requested for these participating entities. Compliance waiver determinations are made on a case-by-case basis by NERC Compliance Monitoring and Enforcement Program staff.	
<b>David Kiguel - David Kiguel – 8</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	
<b>John Seelke - LS Power Transmission, LLC – 1</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	

<b>Andrew Gallo - Austin Energy – 6</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you.	
<b>Steven Rueckert - Western Electricity Coordinating Council - 10</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you.	
<b>Ruida Shu - Northeast Power Coordinating Council - 1,2,3,4,5,6,7,8,9,10 - NPCC, Group Name RSC no Dominion</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	

Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	
<b>Chris Scanlon - Exelon – 1</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	
<b>Karie Barczak - DTE Energy - Detroit Edison Company - 3, Group Name DTE Energy - DTE Electric</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	
<b>Rachel Coyne - Texas Reliability Entity, Inc. - 10</b>	

<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you.	
<b>Sean Bodkin - Dominion - Dominion Resources, Inc. - 6, Group Name Dominion</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you.	
<b>Karl Blaszkowski - CMS Energy - Consumers Energy Company - 1,3,4,5</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	



Dislikes	0
<b>Response</b>	
Thank you.	
<b>James Anderson - CMS Energy - Consumers Energy Company - 1,3,4,5</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	
<b>Chris Gowder - Chris Gowder On Behalf of: Carol Chinn, Florida Municipal Power Agency, 5, 6, 4, 3; David Schumann, Florida Municipal Power Agency, 5, 6, 4, 3; Joe McKinney, Florida Municipal Power Agency, 5, 6, 4, 3; Ken Simmons, Gainesville Regional Utilities, 1, 3, 5; Lynne Mila, City of Clewiston, 4; Randy Hahn, Ocala Utility Services, 3; Richard Montgomery, Florida Municipal Power Agency, 5, 6, 4, 3; Tom Reedy, Florida Municipal Power Pool, 6; - Chris Gowder, Group Name FMPPA</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	

<b>Michael Godbout - Hydro-Quebec TransEnergie - 1 - NPCC</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	
<b>David Greyerbiehl - CMS Energy - Consumers Energy Company - 1,3,4,5</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	
<b>Colby Bellville - Duke Energy - 1,3,5,6 - FRCC,SERC,RF, Group Name Duke Energy</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	

Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	
<b>Lauren Price - American Transmission Company, LLC - 1</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	
<b>David Ramkalawan - Ontario Power Generation Inc. - 5</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	
<b>Shannon Mickens - Southwest Power Pool, Inc. (RTO) - 2 - SPP RE, Group Name SPP Standards Review Group</b>	

<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you.	
<b>Douglas Webb - Douglas Webb On Behalf of: Chris Bridges, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; Harold Wyble, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; James McBee, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; Jessica Tucker, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; - Douglas Webb</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you.	
<b>Jamie Monette - Allete - Minnesota Power, Inc. - 1</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	

Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	
<b>Thomas Rafferty - Edison International - Southern California Edison Company - 5</b>	
<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
Please refer to comments submitted by Deborah VanDeventer on behalf of Southern California Edison.	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you for your comment. Please see response to Ms. VanDeventer.	
<b>Kenya Streeter - Edison International - Southern California Edison Company - 6</b>	
<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
Please refer to comments submitted by Deborah VanDeventer on behalf of Southern California Edison.	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you for your comment. Please see response to Ms. VanDeventer.	

**2. Do you agree the technical committees (e.g., Operating Committee, Planning Committee, and Critical Infrastructure Protection Committee) should administer the Field Tests?**

**Barry Lawson - National Rural Electric Cooperative Association - 3,4**

**Answer** No

**Document Name**

**Comment**

As stated above we are concerned about the difference between “oversees” and “conducted” and now this question says the technical committees should “administer” the field test. This new term confuses things even more. As stated above, we believe that this needs to be clarified in this section so that the drafting team and the technical committee clearly understand their roles and responsibilities.

Likes 0

Dislikes 0

**Response**

Thank you for your comment. The NERC technical committee provides general direction of the field test as the drafting team conducts (i.e., performs the day-to-day activities of) the field test. The specific nature of these activities may vary from field test to field test. Revisions have been made to address specific concerns regarding roles and responsibilities raised in the comments.

**Brian Van Gheem - ACES Power Marketing - 6 - NA - Not Applicable, Group Name ACES Standards Collaborators**

**Answer** No

**Document Name**

**Comment**

- (1) We seek clarification of the reference to Lead NERC Technical Committee in this proposed revision. Does the reference mean the committee collectively, its chairperson, its executive committee, or a simple majority? These committees meet in a formal setting quarterly, and actions related to the field trial may need to be taken more immediately.
- (2) Based on this proposal, it appears likely that the NERC Technical Committees will appoint a task force to provide administrative oversight over the initiation, execution, and termination of field trials. Clarification regarding those eligible to participate on these task forces is needed.

Likes	0
Dislikes	0
<b>Response</b>	
Thank you for your comment. The SPM revisions team believes the current SPM language provides sufficient flexibility to the NERC technical committees on how they will choose to exercise their field test oversight responsibilities.	
<b>Shannon Mickens - Southwest Power Pool, Inc. (RTO) - 2 - SPP RE, Group Name SPP Standards Review Group</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
We agree that the appropriate technical committee(s) should have oversight of the field tests however, we have several concerns for them actually administering the test. Our first concern would be applicable to having the appropriate structured process/procedures to developing the test plan. The second concern would be associated with the technical committee(s) having the appropriate resources to conduct the field tests. If their resources are limited, we can only assume a third party entity would be used to conduct the test. The final concern would be if a third party was used, what criteria would the technical committee(s) use to help ensure that the third party is qualified to conduct the field test? The review group would like to see more documentation on how these areas would be addressed.	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you for your comment. The SPM revisions team believes the current SPM language provides sufficient flexibility to the NERC technical committees on how they will choose to exercise their field test oversight responsibilities. With respect to the remaining concerns, the SPM contemplates that the drafting team, assisted by individuals with relevant expertise, will conduct the test.	
<b>Michael Haff - Seminole Electric Cooperative, Inc. - 1,3,4,5,6 – FRCC</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	

Adopt the comments of the National Rural Electric Cooperative Association (NRECA).	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you for your comment. Please see response to NRECA.	
<b>Michelle Amarantos - APS - Arizona Public Service Co. – 1</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
AZPS is unsure that the technical committees would have the needed visibility to know if a field test needed to be terminated for reliability reasons, see section 6.1.2.	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you for your comment. Under the provided language (see section 6.1.3 in revised draft), the lead technical committee has flexibility to determine how it will most effectively accomplish its oversight responsibilities, including maintaining the needed visibility to know if a field test needed to be terminated or modified for reliability reasons.	
<b>Romel Aquino - Edison International - Southern California Edison Company - 3</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Please refer to comments submitted by Deborah VanDeventer on behalf of Southern California Edison.	
Likes	0
Dislikes	0



<b>Response</b>	
Thank you for your comment. Please see response to Ms. VanDeventer.	
<b>Deborah VanDeventer - Edison International - Southern California Edison Company - 1,3,5,6 - WECC</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
As long as the comments mentioned in response to Q1 are addressed, SCE agrees with the field test administration proposals. A technical committee will contain the necessary expertise to conduct or administer the field tests. Accountability to SARs with compulsory field tests will ensure that technical committee field tests are beholden to the collective approval of affected industry segments.	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	
<b>Aaron Cavanaugh - Bonneville Power Administration - 1,3,5,6 - WECC</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
None	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	
<b>Pamela Hunter - Southern Company - Southern Company Services, Inc. - 1,3,5,6 - SERC, Group Name Southern Company</b>	

<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you.	
<b>Jamie Monette - Allete - Minnesota Power, Inc. - 1</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you.	
<b>Elizabeth Axson - Electric Reliability Council of Texas, Inc. - 2</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	

Dislikes	0
<b>Response</b>	
Thank you.	
<b>Douglas Webb - Douglas Webb On Behalf of: Chris Bridges, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; Harold Wyble, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; James McBee, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; Jessica Tucker, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; - Douglas Webb</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	
<b>David Ramkalawan - Ontario Power Generation Inc. - 5</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	

<b>Lauren Price - American Transmission Company, LLC - 1</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you.	
<b>Colby Bellville - Duke Energy - 1,3,5,6 - FRCC,SERC,RF, Group Name Duke Energy</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you.	
<b>David Greyerbiehl - CMS Energy - Consumers Energy Company - 1,3,4,5</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	

Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you.	
<b>Michael Godbout - Hydro-Quebec TransEnergie - 1 - NPCC</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you.	
<b>Chris Gowder - Chris Gowder On Behalf of: Carol Chinn, Florida Municipal Power Agency, 5, 6, 4, 3; David Schumann, Florida Municipal Power Agency, 5, 6, 4, 3; Joe McKinney, Florida Municipal Power Agency, 5, 6, 4, 3; Ken Simmons, Gainesville Regional Utilities, 1, 3, 5; Lynne Mila, City of Clewiston, 4; Randy Hahn, Ocala Utility Services, 3; Richard Montgomery, Florida Municipal Power Agency, 5, 6, 4, 3; Tom Reedy, Florida Municipal Power Pool, 6; - Chris Gowder, Group Name FMPA</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	

Thank you.	
<b>James Anderson - CMS Energy - Consumers Energy Company - 1,3,4,5</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you.	
<b>Karl Blaszkowski - CMS Energy - Consumers Energy Company - 1,3,4,5</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you.	
<b>Sean Bodkin - Dominion - Dominion Resources, Inc. - 6, Group Name Dominion</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	

Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you.	
<b>Rachel Coyne - Texas Reliability Entity, Inc. - 10</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you.	
<b>Karie Barczak - DTE Energy - Detroit Edison Company - 3, Group Name DTE Energy - DTE Electric</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you.	

<b>Chris Scanlon - Exelon – 1</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you.	
<b>Joseph DePoorter - MGE Energy - Madison Gas and Electric Co. - 4, Group Name MRO NSRF</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 1	Larry Heckert, N/A, Heckert Larry
Dislikes 0	
<b>Response</b>	
Thank you.	
<b>Shelby Wade - PPL NERC Registered Affiliates - 1,3,5,6 - SERC,RF, Group Name PPL NERC Registered Affiliates</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	



Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	
<b>Ruida Shu - Northeast Power Coordinating Council - 1,2,3,4,5,6,7,8,9,10 - NPCC, Group Name RSC no Dominion</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	
<b>LeRoy Patterson - Public Utility District No. 2 of Grant County, Washington - 6</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes	2
	Public Utility District No. 2 of Grant County, Washington, 4, McMackin Yvonne; Public Utility District No. 2 of Grant County, Washington, 5, Ybarra Alex
Dislikes	0
<b>Response</b>	
Thank you.	

**Steven Rueckert - Western Electricity Coordinating Council - 10**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

Thank you.

**Andrew Gallo - Austin Energy - 6**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

Thank you.

**John Seelke - LS Power Transmission, LLC - 1**

**Answer** Yes

**Document Name**

**Comment**

Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you.	
<b>David Kiguel - David Kiguel – 8</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you.	
<b>Mark Riley - Associated Electric Cooperative, Inc. - 1, Group Name AECE &amp; Member G&amp;Ts</b>	
<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
<p>AECE &amp; its member G&amp;Ts support the National Rural Electric Cooperative Association's comments listed below:  As stated above we are concerned about the difference between “oversees” and “conducted” and now this question says the technical committees should “administer” the field test. This new term confuses things even more. As stated above, we believe that this needs to be clarified in this section so that the drafting team and the technical committee clearly understand their roles and responsibilities.</p>	
Likes 0	
Dislikes 0	
<b>Response</b>	

Thank you for your comment. Please see response to NRECA. The draft has been revised to provide more clarity as to roles and responsibilities.

**Kenya Streeter - Edison International - Southern California Edison Company - 6**

**Answer**

**Document Name**

**Comment**

Please refer to comments submitted by Deborah VanDeventer on behalf of Southern California Edison

Likes 0

Dislikes 0

**Response**

Thank you for your comment. Please see response to Ms. VanDeventer.

**Thomas Rafferty - Edison International - Southern California Edison Company - 5**

**Answer**

**Document Name**

**Comment**

Please refer to comments submitted by Deborah VanDeventer on behalf of Southern California Edison.

Likes 0

Dislikes 0

**Response**

Thank you for your comment. Please see response to Ms. VanDeventer.

**3. Do you have any other comments concerning Section 6.0 of the SPM?**

**John Seelke - LS Power Transmission, LLC - 1**

**Answer**

**Document Name**

**Comment**

No.

Likes 0

Dislikes 0

**Response**

Thank you for your response.

**David Kiguel - David Kiguel - 8**

**Answer**

**Document Name**

**Comment**

The Sentence "The drafting team may be supplemented with other individuals based on the required technical expertise needed to support the field test." is ambiguous. While the concept is appropriate, the Manual should provide detail on how individuals are nominated and selected. Suggest to add that NERC Reliability Standards Staff shall identify individuals with the appropriate technical expertise and make a recommendation for approval by the Standards Committee.

Likes 0

Dislikes 0

**Response**

Thank you for your comment. Selection will depend on the existing composition of the team and the expertise that is required to conduct the test. NERC Reliability Standards Staff or the technical committees would be able to assist in identifying appropriate individuals. These

individuals would serve in an advisory capacity unless and until such time that they are formally appointed to the drafting team through the existing Standards Committee processes. The language has been revised to clarify this.

**Aaron Cavanaugh - Bonneville Power Administration - 1,3,5,6 - WECC**

**Answer**

**Document Name**

**Comment**

None

Likes 0

Dislikes 0

**Response**

Thank you.

**LeRoy Patterson - Public Utility District No. 2 of Grant County, Washington - 6**

**Answer**

**Document Name**

**Comment**

There are grammar issues and typos hidden by the redline.

Likes 2

Public Utility District No. 2 of Grant County, Washington, 4, McMackin Yvonne; Public Utility District No. 2 of Grant County, Washington, 5, Ybarra Alex

Dislikes 0

**Response**

Thank you for your comment.

**Shelby Wade - PPL NERC Registered Affiliates - 1,3,5,6 - SERC,RF, Group Name PPL NERC Registered Affiliates**

**Answer**

<b>Document Name</b>	
<b>Comment</b>	
See response to Question 1.	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you. Please see the SPM revisions team's response to Question 1.	
<b>Joseph DePoorter - MGE Energy - Madison Gas and Electric Co. - 4, Group Name MRO NSRF</b>	
<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
N/A	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you.	
<b>Karie Barczak - DTE Energy - Detroit Edison Company - 3, Group Name DTE Energy - DTE Electric</b>	
<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
No	
Likes 0	
Dislikes 0	

**Response**

Thank you.

**Chris Scanlon - Exelon – 1**

**Answer**

**Document Name**

**Comment**

Propose that the statement in paragraph 2 of section 6.0 “The drafting team may be supplemented with other individuals based on the required technical expertise needed to support the field test” be moved to the second or third bullet in Section 6.1. and that it be clarified that the relevant Technical Committees and Staff identify the additional expert(s) to assign to the team.

Likes 0

Dislikes 0

**Response**

Thank you for your comment. Selection will depend on the existing composition of the team and the expertise that is required to conduct the test. NERC Reliability Standards Staff or the technical committees would be able to assist in identifying appropriate individuals. These individuals would serve in an advisory capacity unless and until such time that they are formally appointed to the drafting team through the existing Standards Committee processes. The language has been revised to clarify this and has been moved to the third bullet in Section 6.1 as suggested.

**RoLynda Shumpert - SCANA - South Carolina Electric and Gas Co. - 1,3,5,6 - SERC**

**Answer**

**Document Name**

**Comment**

In the Section 6 changes, it states “Proposed Section 6.1.2 provides that the lead NERC technical committee overseeing the field test may stop or modify the field test if it determines that the field test activity poses a reliability risk to the Bulk Power System.”  
What is the role of the host utility in this effort? I would hope that the host and NOT the NERC technical committee has over-riding authority to stop a field test if the host believes reliability is impacted.



Likes	0
Dislikes	0
<b>Response</b>	
Thank you for your comment. The participating entity is encouraged to raise any reliability concerns to the lead NERC technical committee or to NERC Staff so that they may be acted upon promptly. The participating entity may elect to halt its participation in the field test, but in doing so it may lose eligibility for any approved compliance waivers after the entity has halted its participation (refer to Section 6.1.2 of revised draft).	
<b>James Anderson - CMS Energy - Consumers Energy Company - 1,3,4,5</b>	
<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
None.	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	
<b>Thomas Rafferty - Edison International - Southern California Edison Company – 5</b>	
<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
Please refer to comments submitted by Deborah VanDeventer on behalf of Southern California Edison.	
Likes	0
Dislikes	0
<b>Response</b>	

Thank you for your comment. Please see response to Ms. VanDeventer.

**Romel Aquino - Edison International - Southern California Edison Company – 3**

**Answer**

**Document Name**

**Comment**

Please refer to comments submitted by Deborah VanDeventer on behalf of Southern California Edison.

Likes 0

Dislikes 0

**Response**

Thank you for your comment. Please see response to Ms. VanDeventer.

**Kenya Streeter - Edison International - Southern California Edison Company – 6**

**Answer**

**Document Name**

**Comment**

Please refer to comments submitted by Deborah VanDeventer on behalf of Southern California Edison

Likes 0

Dislikes 0

**Response**

Thank you for your comment. Please see response to Ms. VanDeventer.

**Lauren Price - American Transmission Company, LLC - 1**

**Answer**

**Document Name**

**Comment**

None.	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	
<b>Deborah VanDeventer - Edison International - Southern California Edison Company - 1,3,5,6 - WECC</b>	
<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
It is important to balance the role of the technical committees in field tests and delineate where oversight should begin and delegated authority from the SC should end. The current proposal delegates too much of the SC authority to the NERC technical committees to potentially "streamline" the existing process. The tradeoff between efficiency and due process cannot ignore the significance of segment oversight. It is not sufficient to justify the proposed revisions on the basis that the ballot pool includes the necessary segment representation either. Any SAR which required field tests was approved to ensure prudent standards development. Using ballot pool participation as a justification for delegating more authority to NERC technical committees changes the nature of the SAR without due process.	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you for your comment. The proposed revisions to Section 6 improve the field test process by formally incorporating the participation of those NERC committees that have the relevant technical expertise. The Standards Committee retains oversight over all procedural aspects of the standard development process, including whether any resulting standards are within the scope of their associated SAR and whether they may begin the formal commenting and balloting process. Any modifications to the field test will follow the specified approval process in Section 6 before they may be implemented.	
<b>David Ramkalawan - Ontario Power Generation Inc. - 5</b>	
<b>Answer</b>	

<b>Document Name</b>	
<b>Comment</b>	
	<p>In conducting a field test for a technical concept the drafting team may be supplemented with technical experts. The drafting team is responsible for developing the field test plan, including the implementation schedule, and for identifying compliance related issues such as the potential need for compliance waivers.</p> <p>According to 6.1: Field Tests and Data Analysis - Field tests to validate concepts that support the development of Reliability Standards should be conducted, to the extent possible, before the SAR for a project is finalized.</p> <p>Please clarify who is responsible for the field test if the SAR for the project has been finalized and there is no SDT for that project. It is OPG's opinion that the SAR/project should not be concluded before the field tests have been executed with the collected data analyzed/interpreted and required results adequately reflected/implemented in the new standard/revision of the old standard.</p>
Likes	0
Dislikes	0
<b>Response</b>	
	<p>Thank you for your comment. The language contemplates that either the SAR or a Reliability Standard drafting team will conduct the field test, depending on when the need to conduct the field test is identified. For example, a SAR drafting team would conduct the field test if technical justification is necessary to support a final SAR (see Section 4.1). If no drafting team is in place, one will be appointed.</p>
	<p><b>Douglas Webb - Douglas Webb On Behalf of: Chris Bridges, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; Harold Wyble, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; James McBee, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; Jessica Tucker, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; - Douglas Webb</b></p>
<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
	None.
Likes	0
Dislikes	0
<b>Response</b>	

Thank you.

**Shannon Mickens - Southwest Power Pool, Inc. (RTO) - 2 - SPP RE, Group Name SPP Standards Review Group**

**Answer**

**Document Name**

**Comment**

We would like to see more documentation on how NERC Staff and the technical committee(s) plan to implement the waiver process.

Likes 0

Dislikes 0

**Response**

Thank you. The NERC Compliance Monitoring and Enforcement Program has sole responsibility for approving any compliance waivers. Approval would be contingent on the facts and circumstances of each particular case.

**Elizabeth Axson - Electric Reliability Council of Texas, Inc. – 2**

**Answer**

**Document Name**

**Comment**

Please provide clarification on who conducts a field test during the SAR stage if the Standards Committee hasn't appointed an SDT during the SAR stage (which seems possible under section 4.3 of the SPM). Do they have to appoint an SDT for the purpose of the field test? In Section 6.1.1, the 3rd bullet should be further clarified that the standard drafting team conducting the field test is responsible for updating their respective NERC technical committee.

In Section 6.1.1 – Field Test Approval, revisions currently state that the NERC technical committee will be responsible for “coordinating and communicating status of the results of the field test.” It is unclear to whom the technical committee will communicate status to. The Standards Committee? NERC Staff? The Board? All bodies in general? Later on in section 6.2, it states “Prior to the ballot of any standard involving a field test, the drafting team shall provide to the Standards Committee either a preliminary report of the results of the field test to date, if the field test will continue beyond standard development, or a final report if the field test has been completed.” This is inconsistent

with the statement above that the technical committee will be the primary communicator for the status of the project. Who will act as the primary spokesman for the field test? This role should be clarified.

If the NERC Standards Committee does not approve a technical committee’s recommendation, is the SDT and/or technical committee able to resubmit a request for a field test that addresses the NERC SC’s concerns? Section 6 is currently silent on this instance. “ A rejection does not preclude the SDT from engaging in further research on the standard concept or field test plan.” Provide justification for compliance exemption – seek compliance department concurrence.

The changes suggest that the field test could last past the development of a standard. This seems to be inconsistent with the fundamental point of the field test, which is to test a concept for purposes of a possible new standard. Should the field test process be independent of (or a condition to) the standards development process? If it is possible to "pilot" a proposed change to a requirement, wouldn't it be preferable to have the NERC technical committees do this before a new standard is proposed, or at least as part of the SAR process? Please clarify that a field test may not last beyond the development of a standard. – Ben thinks this is clear but it’s not, so he asks we put this comment in our responses.

Please provide clarification on what it means to have the NERC technical committee "oversee" the field test (and to coordinate all entity participation in the test) while at the same time the SDT is supposed to be responsible for "conducting" the field test. What do these different roles mean? Who gets to decide how the test works in the event of a disagreement on process?

Likes 0

Dislikes 0

**Response**

Thank you for your comments.

- The proposed language of Section 6 contemplates that a field test would be initiated by either a SAR or Reliability Standard drafting team, depending on the stage of the proceeding in which the need for the field test is identified. If no team is in place, one would be appointed.
- Section 6.1.1 has been revised to delete the language regarding coordination and communication. Specific coordination and communication responsibilities are outlined elsewhere in Section 6.

- Under the proposed language, a drafting team is required to receive both lead NERC technical committee approval and Standards Committee approval prior to conducting a field test. The drafting team may choose to revise its plan if it is rejected by the Standards Committee and repeat the approval process in Section 6.1.1, or it may explore alternative options.
- The SPM revisions team has revised the language to clarify that any field test results must be made available at the time the standard is balloted. In some cases, a field test may continue past the final ballot of the standard to allow for the collection of additional data and information that could help support implementation and study of the standard up to and following regulatory approval.
- The NERC technical committee provides general direction of the field test as the drafting team conducts (i.e., performs the day-to-day activities of) the field test. The specific nature of these activities may vary from field test to field test. Revisions have been made to address specific concerns regarding roles and responsibilities raised in the comments.

**Jamie Monette - Allete - Minnesota Power, Inc. – 1**

**Answer**

**Document Name**

**Comment**

No.

Likes 0

Dislikes 0

**Response**

Thank you.

**Brian Van Gheem - ACES Power Marketing - 6 - NA - Not Applicable, Group Name ACES Standards Collaborators**

**Answer**

**Document Name**

**Comment**

(1) A business process diagram identifying the coordination between the NERC Technical Committees, the NERC Standards Committee (SC), and NERC Staff should be included in this section. The proposed language does not accommodate outcomes such as what happens in the event that the Lead NERC Technical Committee rejects the request to oversee the field trial. We also believe NERC Compliance and

Enforcement should be involved earlier in the process to determine compliance waivers for currently enforceable Reliability Standards. This should occur before SC approval for the initiation of the field trial.

(2) The last sentence of the first paragraph, “Drafting teams are not required to collect and analyze data or to conduct a field test to validate a Reliability Standard,” should be removed. We believe the intent of this sentence is already implied within the first sentence of the paragraph.

Likes 0

Dislikes 0

**Response**

Thank you for your comments.

- (1) Thank you for your suggestion. The SPM revisions team believes the proposed language provides sufficient flexibility for drafting teams to revise their field test plans in order to obtain the necessary approval or pursue alternative options. The language regarding compliance waivers has been revised to provide more flexibility on the timing of coordinating compliance waivers.
- (2) The referenced sentence regarding drafting teams not being required to collect and analyze data is intended to clarify that drafting teams are not required to conduct field tests or to collect and analyze data in order to develop a new or revised Reliability Standard.

**Pamela Hunter - Southern Company - Southern Company Services, Inc. - 1,3,5,6 - SERC, Group Name Southern Company**

**Answer**

**Document Name**

**Comment**

See Section 6.2. There is a sentence in Section 6.2 that can read somewhat ambiguously as follows: “The NERC Compliance Monitoring and Enforcement Program Staff shall determine whether to approve the requested waivers and shall be responsible for approving any modifications or terminations that may become necessary following the start of the field test.” This sentence could be misunderstood to imply that the NERC Compliance Monitoring and Enforcement Program Staff has an approval role in modifications to the field tests, when it is believed, their approval responsibility is restricted only to the waivers.

Likes 0

Dislikes 0

**Response**



Thank you for your comment. The SPM revisions team has revised the sentence to provide the requested clarity. See Section 6.1.2 of revised draft.

**4. Do you agree with the revisions to Section 7.0 of the SPM?**

**Barry Lawson - National Rural Electric Cooperative Association - 3,4**

**Answer** No

**Document Name**

**Comment**

On page 32 of the redline, Section 7.1, first line, it is confusing to NRECA that a valid interpretation does not “interpret” the language of the requirement. We strongly urge that the word “interpret” not be deleted from this sentence.

On page 32 of the redline, Section 7.2.1, NRECA has the following requests for clarity. In bullet 3 it refers to “an existing or future standard,” but its unclear how far in the future this is referring to. Since some standards can take a number of years to develop, should a request for and interpretation be rejected because something is going to be done in that area in 5 to 8 years from now? There should be some limitation on what “future” means in this context. Maybe “future” means a project that has a SAR submitted that would address the interpretation issue. In bullet 5 NRECA recommends that the term “record” be clarified so that everyone knows what that means, such as the record of draft standards, comments, responses to comments or something along these lines. In bullet 8, the use of “plain on its face” is very subjective and very difficult to challenge. NRECA recommends deleting bullet 8.

On page 32 of the redline, footnote 27, NRECA requests that examples of “applicable NERC Compliance Monitoring and Enforcement Program processes” be added to the footnote.

Likes 0

Dislikes 0

**Response**

Thank you for your comments:

- The first line of Section 7.1 has been revised to substitute “interpret”, with “explain the meaning of.”
- Section 7.2.1 has been revised to improve clarity. Examples of the types of projects contemplated by this provision would include existing standard development projects and projects identified in the annual Reliability Standards Development Plan.
- A footnote has been added to provide the requested clarity as to what may be considered part of the “record”. Generally, the term refers to the record of development, regulatory approval record, or other materials developed to support the development or approval of a Reliability Standard.

- Bullet 8 has been revised to improve clarity as follows: “The meaning of a Reliability Standard is clear and evident by inspection or the plain words that are written.”
- On page 32, the existing language is retained. This avoids the need for future SPM revisions should the existing CMEP processes be renamed or new applicable processes added.

**Brian Van Gheem - ACES Power Marketing - 6 - NA - Not Applicable, Group Name ACES Standards Collaborators**

<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
The use of “Interpretation” and “clarify” are used interchangeably within this section, yet are observed to have clearly different meanings. We recommend revising the language to only use one term for consistency throughout this section.	
Likes	0
Dislikes	0

**Response**

Thank you for your comment. The terms “clarify” and “interpret” are synonyms and the SPM revisions team does not believe these terms, as currently used in Section 7.0, have clearly different meanings in the context of Section 7 as applied in this section to date. To address this and other comments, the first line of Section 7.1 has been revised to include the definition of interpret (“explain the meaning of”). The term “explain” has also been added to other references to clarification in Section 7.2 and Section 7.2.1, fourth bullet.

**Elizabeth Axson - Electric Reliability Council of Texas, Inc. – 2**

<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
See comments for Question #5	
Likes	0
Dislikes	0

**Response**

Thank you. Please see response to Question #5.

**David Ramkalawan - Ontario Power Generation Inc. - 5**

**Answer** No

**Document Name**

**Comment**

OPG does not agree with the elimination of the requirement for the Interpretation Drafting Team to respond in writing to each submitted comment. OPG is of the opinion that this can be wrongfully interpreted as the team not having to respond to the comments submitted during the official commenting period. All comments should be dispositioned in some way.

Likes 0

Dislikes 0

**Response**

Thank you for your comment. Upon further consideration, the SPM revisions team has decided not to pursue the referenced Interpretation balloting and comment process changes at this time. Interpretations will continue to be balloted in the same manner as Reliability Standards.

**Shannon Mickens - Southwest Power Pool, Inc. (RTO) - 2 - SPP RE, Group Name SPP Standards Review Group**

**Answer** No

**Document Name**

**Comment**

The review group has a concern that this section uses the terms ‘Interpretation’ and ‘clarify’ interchangeably as we understand them to have clearly different meanings. We recommend that staff revise the language to use only one of the terms for consistency throughout this section.

Likes 0

Dislikes 0

**Response**

Thank you for your comment. The terms “clarify” and “interpret” are synonyms and the SPM revisions team does not believe these terms, as currently-used in Section 7.0, have clearly different meanings in the context of Section 7 as applied in this section to date. To address this and

other comments, the first line of Section 7.1 has been revised to substitute “interpret” with “explain the meaning of”. The term “explanation” has also been added to other references to clarification in Section 7.2 and Section 7.2.1, fourth bullet.

**Mark Riley - Associated Electric Cooperative, Inc. - 1, Group Name AECl & Member G&Ts**

<b>Answer</b>	No
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<b>Document Name</b>	
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**Comment**

AECl & its member G&Ts support the National Rural Electric Cooperative Association's comments listed below:  
 On page 32 of the redline, Section 7.1, first line, it is confusing to NRECA that a valid interpretation does not “interpret” the language of the requirement. We strongly urge that the word “interpret” not be deleted from this sentence.  
 On page 32 of the redline, Section 7.2.1, NRECA has the following requests for clarity. In bullet 3 it refers to “an existing or future standard,” but its unclear how far in the future this is referring to. Since some standards can take a number of years to develop, should a request for and interpretation be rejected because something is going to be done in that area in 5 to 8 years from now? There should be some limitation on what “future” means in this context. Maybe “future” means a project that has a SAR submitted that would address the interpretation issue. In bullet 5 NRECA recommends that the term “record” be clarified so that everyone knows what that means, such as the record of draft standards, comments, responses to comments or something along these lines. In bullet 8, the use of “plain on its face” is very subjective and very difficult to challenge. NRECA recommends deleting bullet 8.  
 On page 32 of the redline, footnote 27, NRECA requests that examples of “applicable NERC Compliance Monitoring and Enforcement Program processes” be added to the footnote.

Likes	0
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Dislikes	0
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**Response**

Thank you. Please see response to the NRECA comments.

**Michael Haff - Seminole Electric Cooperative, Inc. - 1,3,4,5,6 – FRCC**

<b>Answer</b>	No
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<b>Document Name</b>	
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**Comment**

Adopt the comments of the National Rural Electric Cooperative Association (NRECA).

Likes 0

Dislikes 0

### Response

Thank you. Please see response to the NRECA comments.

**Chris Gowder - Chris Gowder On Behalf of: Carol Chinn, Florida Municipal Power Agency, 5, 6, 4, 3; David Schumann, Florida Municipal Power Agency, 5, 6, 4, 3; Joe McKinney, Florida Municipal Power Agency, 5, 6, 4, 3; Ken Simmons, Gainesville Regional Utilities, 1, 3, 5; Lynne Mila, City of Clewiston, 4; Randy Hahn, Ocala Utility Services, 3; Richard Montgomery, Florida Municipal Power Agency, 5, 6, 4, 3; Tom Reedy, Florida Municipal Power Pool, 6; - Chris Gowder, Group Name FMPA**

Answer

No

Document Name

### Comment

Improvements have been made, but there remains too much ambiguity and latitude for the Interpretation process to be practically implemented. The following are areas where clarity is needed.

While it is valid to look to the development record of a Standard to determine whether an Interpretation is needed (4th bullet under Section 7.2.1), some discussion of what constitutes the “record” is needed so there is a common understanding.

The 5th bullet under Section 7.2.1 conflicts with Section 7.3. How can a request be rejected because it identifies an issue requiring a Standard modification, but also have an Interpretation drafting team identifying deficiencies and submitting SARs? The last paragraph of Section 7 recognizes that an Interpretation can stand in the gap until a Standard can be revised.

Section 7.1 says an Interpretation may not “alter” the scope of a Standard, but the 6th bullet under Section 7.2.1 only allows for rejection if the request seeks to “expand” the scope.

The 7th bullet under Section 7.2.1 is too subjective and open-ended. The fact that an Interpretation request was submitted means that it is not plain on its face to someone. Instead NERC Staff and the requestor should discuss and attempt to come to an understanding of the meaning, which may result in the modification or withdrawal of the request. If confusion remains, then an Interpretation drafting team and/or the ballot pool should determine (per Section 7.3) whether an Interpretation is needed, not NERC Staff or the SC.

In addition to these clarifications, timetables for action should be added to the process. As it stands, there is no limit to the amount of time NERC Staff can take to determine the validity of an Interpretation request. A reasonable limitation (something less than 90 days) is needed so that requests do not linger without action.

Likes 0

Dislikes 0

### Response

Thank you for your comments. The SPM revisions team responds as follows:

- A footnote has been added to provide the requested clarity regarding what is considered the “record”. The “record” is generally understood to refer to the record of development, regulatory approval record, or other materials developed to support the development or approval of a Reliability Standard.
- An Interpretation may only clarify or explain the meaning of a Reliability Standard requirement. Where the requester is identifying an issue and seeking the development of a new or revised Reliability Standard to address it, that person should submit a SAR rather than an Interpretation request. Section 7.3 addresses the situation where an Interpretation drafting team identifies a reliability-related issue in the standard in the course of its work developing an Interpretation. For example, in the course of explaining the Requirement language, the team determines the standard does not address an important reliability issue. The requested clarification in the Interpretation, in this case, would not “stand in the gap” but rather highlight the reliability issue.
- Please see revisions to Section 7.2.1, 6<sup>th</sup> bullet, which replaces “expand” with “alter” for consistency.
- Bullet 8 has been revised to improve clarity as follows: “The meaning of a Reliability Standard is clear and evident by inspection or the plain words that are written.” This bullet addresses those circumstances where the Requirement language is clear and susceptible to only one meaning. Upon receiving a request for Interpretation, NERC Staff does communicate with the requestor to discuss and attempt to come to an understanding of the meaning. In many cases, this discussion results in the requester withdrawing or modifying the request. In other cases, the requester elects to proceed with having its request rejected (by the Standards Committee) on the record.
- Section 7.2 was modified to include the following: “NERC Staff shall periodically communicate to the Standards Committee the status of all Interpretation requests that are pending resolution.” The SPM revisions team believes that concerns regarding the timeliness of processing Interpretation requests can be addressed through these regular updates to the Standards Committee. As NERC Staff has made a concerted effort to reduce the amount of time necessary to conduct the necessary outreach and research to develop an informed recommendation on each Interpretation request, the SPM revisions team believes routine updates to the Standards Committee should provide transparency to the Interpretation process and timelines.

<b>Michael Godbout - Hydro-Quebec TransEnergie - 1 – NPCC</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Please see our answer to the next question.	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you. Please see response to next question.	
<b>Michelle Amarantos - APS - Arizona Public Service Co. – 1</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
In section 7.1, please define the “scope of a requirement.” Step 2 on page 35 should be updated to reflect previous edits regarding NERC staff.	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you for your comments. The SPM revisions team does not believe defining “scope” is necessary in light of the common meaning of the term. The SPM revisions team has made the noted updates to the process chart.	
<b>Joseph DePoorter - MGE Energy - Madison Gas and Electric Co. - 4, Group Name MRO NSRF</b>	
<b>Answer</b>	No
<b>Document Name</b>	



**Comment**

The first bullet of Section 7.3 states that the “NERC Reliability Standards staff shall review the draft Interpretation and to provide a recommendation to the Standards Committee...”. Then once the Interpretation has passed ballot, on the top of page 34 it states, “If approved by the ballot pool, NERC Staff shall review the final Interpretation...”. This is the same language in two different places. Recommend that the latter language be remove.

Likes	1	Larry Heckert, N/A, Heckert Larry
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Dislikes	0	
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**Response**

The proposed revisions contemplate that NERC Staff will formally review and provide recommendations at two stages: (1) of the draft Interpretation, prior to the Standards Committee authorizing approval to post for comment and ballot; and (2) of the final Interpretation as approved by the ballot pool, prior to Board of Trustees adoption.

**Shelby Wade - PPL NERC Registered Affiliates - 1,3,5,6 - SERC,RF, Group Name** PPL NERC Registered Affiliates

<b>Answer</b>	No
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<b>Document Name</b>	
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**Comment**

The revision in proposed Section 7.2.1 (Rejection of an Interpretation Request) that allows a request for Interpretation to be rejected if an “existing or future standard development project” can address the issue effectively allows for an indefinite delay in NERC responding to *Request for Interpretation*. Any issue could arguably be addressed by a “future standard development project” and a request for an interpretation on that issue could be rejected on that basis. As such, it is overly broad and subjective. We suggest removing “or future” to ensure the issue is not arbitrarily delayed. The suggested language for the second bullet in Section 7.2.1 is as follows: “Where the issue can be addressed by incorporating the issue into an existing standard development project.”

Likes	0
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Dislikes	0
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**Response**

Thank you for your comment. Section 7.2.1 has been revised to provide clarity. Examples of the types of projects contemplated by this provision would include existing standard development projects and projects identified in the annual Reliability Standards Development Plan.

**Ruida Shu - Northeast Power Coordinating Council - 1,2,3,4,5,6,7,8,9,10 - NPCC, Group Name RSC no Dominion**

<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
<p>Section 7.2 needs to be clarified. While the revised section makes reference back to Section 4.0, the revised 7.2 also includes exceptions to the drafting process. From our reading of the revised language, it is unclear whether or not the drafting team will have to reply to stakeholder comments in writing. We believe the intent is to have the drafting team only respond to comments in written form during the official comment period, which is acceptable. However we are concerned that the proposed revised language could be read to mean that the drafting team does not have to reply to comments at all. We recommend that Section 7.2 explicitly state that written responses will be provided to comments received during the official comment period for new interpretations.</p>	

Likes 0

Dislikes 0

**Response**

Thank you for your comments. Upon further consideration, the SPM revisions team has decided to not to pursue the referenced Interpretation balloting and comment process changes at this time. Interpretations will continue to be balloted in the same manner as Reliability Standards.

**Daniel Grinkevich - Con Ed - Consolidated Edison Co. of New York – 1**

<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
<p>Section 7.2 needs to be clarified. While the revised section makes reference back to Section 4.0, the revised 7.2 also includes exceptions to the drafting process. From our reading of the revised language, it is unclear whether or not the drafting team will have to reply to stakeholder comments in writing. We believe the intent is to have the drafting team only respond to comments in written form during the official comment period, which is acceptable. However we are concerned that the proposed revised language could be read to mean that the</p>	

drafting team does not have to reply to comments at all. We recommend that Section 7.2 explicitly state that written responses will be provided to comments received during the official comment period for new interpretations.

Likes 0

Dislikes 0

**Response**

Thank you for your comments. Upon further consideration, the SPM revisions team has decided to not to pursue the referenced Interpretation balloting and comment process changes at this time. Interpretations will continue to be balloted in the same manner as Reliability Standards.

**Thomas Foltz - AEP – 5**

**Answer** No

**Document Name**

**Comment**

Section 7.1:  
While AEP does not object to removing the word “interpret” from this section so that it reads “An Interpretation may only clarify the language of the Requirement(s)”, we believe it would be preferable to replace the word with more explanatory text rather than simply deleting it. We suggest changing it to instead state “An Interpretation may only clarify or explain the meaning of the language of the Requirement(s)...”

Likes 0

Dislikes 0

**Response**

Thank you for your comment. Section 7.1 has been revised as suggested.

**LeRoy Patterson - Public Utility District No. 2 of Grant County, Washington – 6**

**Answer** No

**Document Name**

**Comment**

In Section 7.2.1: "Rejection of an Interpretation Request", the second bullet states "Where the issue can be addressed by incorporating the issue into an existing or future standard development project...". This bullet requires all interpretation requests to be rejected since every issue can be addressed in an existing **or future** standard development project.

Further, it precludes clarification of an existing standard if a new standard is being developed. Considering the uncertain, and often lengthy, time needed to approve a new standard and make it effective, it seems inappropriate to preclude making a needed clarification that would allow everyone to interpret an existing requirement similarly.

Likes 1	Public Utility District No. 2 of Grant County, Washington, 5, Ybarra Alex
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Dislikes 0	
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### Response

Thank you for your comment. Section 7.2.1 has been revised to provide clarity. Examples of the types of projects contemplated by this provision would include existing standard development projects and projects identified in the annual Reliability Standards Development Plan.

The SPM revisions team further notes that Interpretations, like Reliability Standards, must be approved by the ballot body and the applicable governmental authority before becoming effective and that the time needed for approval is likewise uncertain.

### Andrew Gallo - Austin Energy – 6

Answer	No
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Document Name	
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### Comment

In Section 7.2.1, the second bullet should be removed ("The issue can be addressed by incorporating it into an existing or planned standard development project") because **any** request could be incorporated into a future project, which means the Standards Committee could use this reason to deny **all** requests for interpretation.

Likes 0	
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Dislikes 0	
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### Response

Thank you for your comment. Section 7.2.1 has been revised to provide clarity. Examples of the types of projects contemplated by this provision would include existing standard development projects and projects identified in the annual Reliability Standards Development Plan.

**Romel Aquino - Edison International - Southern California Edison Company – 3**

**Answer** Yes

**Document Name**

**Comment**

Please refer to comments submitted by Deborah VanDeventer on behalf of Southern California Edison.

Likes 0

Dislikes 0

**Response**

Thank you for your comment. Please see response to Ms. VanDeventer.

**Deborah VanDeventer - Edison International - Southern California Edison Company - 1,3,5,6 – WECC**

**Answer** Yes

**Document Name**

**Comment**

Section 7 language and proposed revisions seem to point to the need for the Section and corresponding process to be called "Process for Developing 'Clarification of Reliability Standard Requirements.'"

Likes 0

Dislikes 0

**Response**

Thank you for your comment. The SPM revisions team believes that the current section title is appropriate in light of the revision history of the SPM and American National Standards Institute (ANSI) requirements for accredited standards developers.

**Steven Rueckert - Western Electricity Coordinating Council – 10**

**Answer** Yes

**Document Name**

**Comment**

However, if you consider any additional revisions to the SPM, based on comments received, I suggest the following.  
 In section 7.2.1 add "or attachments referenced in a Requirement" to the end of the third bullet. This is consistent with the language in section 7.1.  
 In section 7.3, second paragraph from the bottom, it states that "if approved by the ballot pool, NERC Staff shall review the final Interpretation to determine whether it has met the requirements for a valid Interpretation." This is also done in the first bullet of section 7.3, when the draft Interpretation is developed by the Interpretation drafting team. It seems like after the Interpretation is approved by the ballot pool it is a bit late to be deciding if it is valid. Seems like the only place this determination should be made is in the first bullet when the draft is developed, not after it has been balloted. If you make this change, the flow chart will need to be revised also.  
 In section 7.3, second paragraph after the bullets it states that if the Interpretation drafting team identifies a reliability-related deficiency, it "may" submit a SAR. In the flowchart it says "shall." Suggest revising one or the other for consistency.

Likes 0

Dislikes 0

**Response**

Thank you for your comments. The suggested clarification has been made in Section 7.2.1. The proposed revisions contemplate that NERC Staff will formally review and provide recommendations at two stages: (1) of the draft Interpretation, prior to the Standards Committee authorizing approval to post for comment and ballot; and (2) of the final Interpretation as approved by the ballot pool, prior to Board of Trustees adoption. The process flowchart has been corrected.

**Aaron Cavanaugh - Bonneville Power Administration - 1,3,5,6 – WECC**

Answer Yes

Document Name

**Comment**

None

Likes 0

Dislikes 0

**Response**

Thank you.	
<b>Pamela Hunter - Southern Company - Southern Company Services, Inc. - 1,3,5,6 - SERC, Group Name Southern Company</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	
<b>Jamie Monette - Allete - Minnesota Power, Inc. – 1</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	
<b>Douglas Webb - Douglas Webb On Behalf of: Chris Bridges, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; Harold Wyble, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; James McBee, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; Jessica Tucker, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; - Douglas Webb</b>	
<b>Answer</b>	Yes

<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you.	
<b>Lauren Price - American Transmission Company, LLC – 1</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you.	
<b>David Greyerbiehl - CMS Energy - Consumers Energy Company - 1,3,4,5</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	



**Response**

Thank you.

**James Anderson - CMS Energy - Consumers Energy Company - 1,3,4,5**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

Thank you.

**Karl Blaszkowski - CMS Energy - Consumers Energy Company - 1,3,4,5**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

Thank you.

**Rachel Coyne - Texas Reliability Entity, Inc. – 10**

**Answer** Yes

**Document Name**

<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you.	
<b>Sean Bodkin - Dominion - Dominion Resources, Inc. - 6, Group Name Dominion</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you.	
<b>Chris Scanlon - Exelon – 1</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	

Thank you.	
<b>Karie Barczak - DTE Energy - Detroit Edison Company - 3, Group Name DTE Energy - DTE Electric</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	
<b>David Kiguel - David Kiguel – 8</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	
<b>Kenya Streeter - Edison International - Southern California Edison Company – 6</b>	
<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	

Please refer to comments submitted by Deborah VanDeventer on behalf of Southern California Edison

Likes 0

Dislikes 0

**Response**

Thank you for your comment. Please see response to Ms. VanDeventer.

**Thomas Rafferty - Edison International - Southern California Edison Company – 5**

**Answer**

**Document Name**

**Comment**

Please refer to comments submitted by Deborah VanDeventer on behalf of Southern California Edison.

Likes 0

Dislikes 0

**Response**

Thank you for your comment. Please see response to Ms. VanDeventer.

**5. Do you agree with the proposed process for posting and balloting Interpretations?**

**John Seelke - LS Power Transmission, LLC - 1**

**Answer**

No

**Document Name**

**Comment**

See response to Q6.

Likes 0

Dislikes 0

**Response**

Thank you for your comment. Please see response to your Question 6 comments below.

**LeRoy Patterson - Public Utility District No. 2 of Grant County, Washington – 6**

**Answer** No

**Document Name**

**Comment**

Comment and balloting provisions are acceptable. However, the paragraph that now begins "If approved by the ballot pool, NERC Staff shall review the final Interpretation to determine whether it has met the requirements for a valid Interpretation and shall make a recommendation ..." is redundant since this staff made such a determination before allowing the Interpretation to go for comment and ballot. Further, there is de minimis value in the NERC Staff making a recommendation to the NERC Board of Trustees after industry balloting has approved the Interpretation. I suggest removing the entire paragraph (i.e sentence). If that is not acceptable, at least the sentence should be modified to read "If approved by the ballot pool, NERC Staff shall make a recommendation ..."

Likes 1 Public Utility District No. 2 of Grant County, Washington, 5, Ybarra Alex

Dislikes 0

**Response**

Thank you for your comments. Upon further consideration, the SPM revisions team has decided to not to pursue the referenced Interpretation balloting and comment process changes at this time. Interpretations will continue to be balloted in the same manner as Reliability Standards.

The proposed revisions regarding Staff review contemplate that NERC Staff will formally review and provide recommendations at two stages: (1) of the draft Interpretation, prior to the Standards Committee authorizing approval to post for comment and ballot; and (2) of the final Interpretation as approved by the ballot pool, prior to Board of Trustees adoption. The SPM revisions team believes that there is value in continuing the current practice of providing the NERC Board of Trustees with a recommendation regarding adoption; this helps to keep the Board aware of any Staff concerns regarding the validity of a final Interpretation prior to adopting the Interpretation and directing that it be filed with the applicable governmental authorities for approval. There is also value to having NERC Staff identify its concerns regarding the

validity of an Interpretation at the draft stage, prior to beginning the commenting and balloting process, where those concerns can be more readily addressed.

**Thomas Foltz - AEP – 5**

**Answer** No

**Document Name**

**Comment**

Section 7.3:

While Interpretations do not of themselves “create new compliance obligations”, they may still be either fairly complex or nuanced at times. As a result, industry should be afforded a more reasonable opportunity to respond by retaining the existing 45 day provision. This will allow industry to develop and provide more meaningful input.

In addition, AEP seeks clarity on how it is possible for a formal comment period to be seemingly eliminated from the entire Interpretation process. Also, given that there is a ballot that accompanies the informal comment period, what does that perhaps imply about the formality of the ballot itself?

Likes 0

Dislikes 0

**Response**

Thank you for your comments. Upon further consideration, the SPM revisions team has decided to not to pursue the referenced Interpretation balloting and comment process changes at this time. Interpretations will continue to be balloted in the same manner as Reliability Standards.

**Shelby Wade - PPL NERC Registered Affiliates - 1,3,5,6 - SERC,RF, Group Name** PPL NERC Registered Affiliates

**Answer** No

**Document Name**

**Comment**

The proposed process in Section 7.3 (Development of an Interpretation) contemplates that the NERC Reliability Standards staff will review the draft Interpretation and provide a recommendation to the Standards Committee whether to authorize posting or remand to the

Interpretation drafting team for further work. The Standards Committee is not bound by the recommendation of the NERC staff, and could post the draft Interpretation for comment and ballot despite NERC staff’s recommendation to the contrary. Since it would be informative for industry to understand NERC Reliability Standard staff’s opinion on a potential Interpretation, particularly if there is a difference of opinion between the Standards Committee and NERC Reliability Standards staff, our recommendation is that both the draft Interpretation and NERC staff’s recommendation be provided, so that industry can provide its comments appropriately in conjunction with the balloting. Additionally, the first bullet and the second to last paragraph in Section 7.3 reference “requirements for a valid Interpretation”. If the intent is for NERC staff to determine whether the draft Interpretation has met the “requirements for a valid Interpretation”, please define these requirements in Section 7.1 (Valid Interpretation).

Likes 0

Dislikes 0

**Response**

Thank you for your comments. The referenced material (the draft Interpretation and NERC Staff’s recommendation) would be included in the Standards Committee agenda package when the approval of the Standards Committee to post for comment and ballot is sought. Section 7.1 provides the criteria for a valid Interpretation (i.e., only clarifies or explains the meaning of a Requirement of an approved Reliability Standard or referenced attachment and does not alter the scope or the language of the Requirement or referenced attachment), and the title of section 7.1 has been revised as such.

**Deborah VanDeventer - Edison International - Southern California Edison Company - 1,3,5,6 - WECC**

**Answer**

No

**Document Name**

**Comment**

The first paragraph of page 34 and former Step 9 (proposed Step 8) unclearly define which NERC staff members are responsible for determining whether an interpretation has met validity requirements. The proposed ambiguity removes what was once clear. The current version requires those responsible for Reliability Standards and those with legal expertise to validate an interpretation. The proposed language should be modified to ensure that proper review is provided by necessary expertise and not ambiguously from any NERC staff member.

Likes 0

Dislikes 0

**Response**

Thank you for your comment. The SPM revision team contemplates that the NERC Staff with the relevant expertise to assess the Interpretation will do so.

**Michael Godbout - Hydro-Quebec TransEnergie - 1 - NPCC**

**Answer**

No

**Document Name**

**Comment**

Section 7.3 is vague regarding the comments and vote. We read the proposed text as never requiring the interpretation drafting team to reply to the comments submitted during the comment period. Also, the overlap in time between the comment period and the ballot is potentially confusing – what would happen if an important comment is submitted after votes have begun? Finally, the section does not cover all possible outcomes of the comments and ballots, in particular, the reception of a comment that proposes a meaningful change to the interpretation. NPCC has proposed, in its comments to section 7.0, that the interpretation drafting team should reply to comments. We support that comment.

If, however, the intention of this proposed text was to lighten the interpretation process by not requiring replies to comments, we also propose the following text for consideration :

"Interpretations shall be posted for a 30-day informal comment period.

- The NERC Reliability Standards Staff shall establish a ballot pool during the 30-day informal comment period..
- The ballot window shall take place during the 10 calendar days following the 30-day informal comment period.
- Final Ballots shall not be conducted for Interpretations. An Interpretation shall be deemed approved by the ballot pool following the first ballot in which the necessary quorum and sufficient affirmative votes are obtained.

If comments submitted are substantive and require a modification of the interpretation, the interpretation drafting team can suspend the ballot, modify the proposed text of the interpretation and post them again in a new 30-day informal comment period.

If the ballot fails, the interpretation drafting team can modify the proposed text of the interpretation and post them again in a new 30-day informal comment period followed by a new ballot.

If the ballot results indicate that there is not a consensus for the Interpretation or the Interpretation drafting team cannot revise the Interpretation following one or more substantive comments without violating ..."

Likes 0



Dislikes	0
<b>Response</b>	
Thank you for your comments. Upon further consideration, the SPM revisions team has decided to not to pursue the referenced Interpretation balloting and comment process changes at this time. Interpretations will continue to be balloted in the same manner as Reliability Standards.	
<b>Michael Haff - Seminole Electric Cooperative, Inc. - 1,3,4,5,6 - FRCC</b>	
Answer	No
Document Name	
<b>Comment</b>	
Adopt the comments of the National Rural Electric Cooperative Association (NRECA).	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you for your comments. Please see response to the NRECA comments.	
<b>Romel Aquino - Edison International - Southern California Edison Company - 3</b>	
Answer	No
Document Name	
<b>Comment</b>	
Please refer to comments submitted by Deborah VanDeventer on behalf of Southern California Edison.	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you for your comments. Please see response to Ms. VanDeventer.	

**Mark Riley - Associated Electric Cooperative, Inc. - 1, Group Name AECl & Member G&Ts**

<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
<p>AECl &amp; its member G&amp;Ts support the National Rural Electric Cooperative Association's comments listed below: NRECA strongly supports deleting the new exceptions (on page 33, Section 7.3, third solid bullet and the four added sub-bullets) for how interpretations should be balloted. We believe interpretations should be balloted in the same manner as reliability standards.</p>	
Likes	0
Dislikes	0

**Response**

Thank you for your comments. Please see response to NRECA. Upon further consideration, the SPM revisions team has decided to not to pursue the referenced Interpretation balloting and comment process changes at this time. Interpretations will continue to be balloted in the same manner as Reliability Standards.

**David Ramkalawan - Ontario Power Generation Inc. - 5**

<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
<p>OPG is of the opinion that all substantive changes to the interpretation must be reviewed and balloted by the ballot pool members, regardless of where in the process it occurs i.e. initial or additional ballot (which may be the final ballot).</p>	
Likes	0
Dislikes	0

**Response**

Thank you for your comments. Upon further consideration, the SPM revisions team has decided to not to pursue Interpretation balloting and comment process changes at this time. Interpretations will continue to be balloted in the same manner as Reliability Standards.

**Elizabeth Axson - Electric Reliability Council of Texas, Inc. - 2**

**Answer**

No

**Document Name**

**Comment**

1.) The first subsection does not describe a “VALID Interpretation” as much as it describes the “SCOPE of an Interpretation”. If NERC retains the heading “Valid Interpretation” then technically the first reference should be to “Valid Interpretation” and not simply to “an Interpretation” (which would beg the question is this section about the submitted request or to the final result. For parallelism use the phrase “an Interpretation” (and not mix with of “the Interpretation”) also use “referenced attachment” (and not mix with “attachment referenced in the Requirement”). Keep terminology consistent.

Proposed by SRC

**7.1 Scope of an Interpretation**

An Interpretation may only clarify the “MEANING OR INTENT OF THE” language of the Requirement(s) of an approved Reliability Standard, including, if applicable, any REFERENCED attachment. “AN” Interpretation may not alter the scope or the “WORDS{C}[A1]{C}” of a Requirement or referenced attachment. No other elements of an approved Reliability Standard are subject to an Interpretation.

2.) The next subsection introduces the involvement of NERC staff. The first reference is to “NERC Reliability Standards and Legal Staff”. The proposal then uses the abbreviated reference of “Staff” to mean “NERC Reliability Standards and Legal Staff”. That intent to use Staff as an abbreviation should be made clear, i.e. use “NERC Reliability Standards and Legal Staff (NERC Staff).

The first sentence uses the term “the Interpretation” as if there were only one Interpretation – suggest changing “the” to “an”. This would also comport with the wording NERC proposed in the previous subsection.

It seems that the words “a request for Interpretation” (using an upper case I) indicates a new product, i.e something different from the product in the previous subsection.

The SRC notes that in this subsection, everything starts with NERC Staff (they get the request, they decide on the validity and then make recommendations to the SC.)

Proposed by SRC

**“7.2 NERC Staff Process and Procedures**

The entity requesting “AN” Interpretation shall submit a *Request for Interpretation* form to the NERC Reliability Standards Staff “(NERC STAFF)” explaining the clarification required, the specific circumstances surrounding the request, and the impact of not having the Interpretation provided. “NERC STAFF” shall review the request for Interpretation to determine whether the request meets the requirements for a valid Interpretation. Based on this review, NERC Staff shall make a recommendation to the Standards Committee whether to accept the “REQUEST FOR INTERPRETATION.”

3.) It seems that there needs to be some description of steps involved with going from a NERC Staff recommendation to an SC decision on whether or not to go forward. Of course the implication in the proposed draft is that the SC will do what it is told to do, but the “Process” should allow for some SC independence that allows the SC to consider and not simply rubber-stamp the NERC staff recommendations – otherwise why have the SC get involved at all? The proposed Section 7.2.2 merely states the steps the SC would take upon approval of a request. The SRC proposes to place those steps into the following new section (and delete 7.2.2).

**Proposed by SRC**

**“7.X Standards Committee Process and Procedures**

The Standards Committee (SC) Chair upon receipt of NERC Staff recommendations concerning whether to accept a Request for Interpretation shall:

- Distribute to the SC copies of the Request for Interpretation and a copy of the NERC Staff recommendations
- Include for discussion and vote the Request for Interpretation on an SC Agenda (within 180 days of receipt of the NERC Staff recommendations)
- Authorize NERC Staff to assemble an Interpretation Drafting Team if the Request for Interpretation were accepted (see Section 7.3 Development of an Interpretation). The SC shall authorize:
  - o Development of an Interpretation that will be posted for formal comment and ballot (as per ..... )
- Inform the author of the Request for Interpretation if the Request for Interpretation were not accepted

The SC members shall decide on whether to accept the Request for Interpretation based on the criteria established in Section 7.2.1.” Is it implied that actual words can never be changed? After all this is an interpretation – not a SAR.

Likes 0

Dislikes 0

### Response

Thank you for your comments. The SPM revisions team responds as follows:

1. Section 7.1 has been revised as suggested and the section title has been updated.
2. Grammatical revisions have been made to Section 7.2. Section 7.2 refers to the process for requesting an Interpretation; Section 7.1 refers to the Interpretation itself. These are separate items, like a SAR and a Reliability Standard. Language regarding NERC Staff has been clarified throughout.
3. The Standards Committee may accept an Interpretation request, in which it shall authorize a team to be formed under Section 7.2.2, Acceptance of an Interpretation Request, or it may reject a request, in which it shall provide a written explanation to the submitting entity under Section 7.2.1, Rejection of an Interpretation Request. Related materials, such as the Request for Interpretation and the NERC Staff recommendation, are included in the Standards Committee agenda package where the request for Interpretation disposition is being sought.

**Brian Van Gheem - ACES Power Marketing - 6 - NA - Not Applicable, Group Name ACES Standards Collaborators**

Answer

No

Document Name

### Comment

The current approach using the addition of calendar days does not recognized Federal holidays or the possibility of office closures and scheduled vacations. Historically, there has been a push to address commenting periods before the end of the year, and a 30-day commenting period during the months of November and December are burdensome. We concur that a minimum 30-day period is ample time for commenting on an interpretation, with the condition that the commenting period ends on the first business day following a specific calendar date of each month, such as the 15th. For example, a posting for comment on May 1st would therefore end on June 15th.

Likes 0

Dislikes 0

**Response**

Thank you for your comment. Upon further consideration, the SPM revisions team has decided to not to pursue the referenced Interpretation balloting and comment process changes at this time. Interpretations will continue to be balloted in the same manner as Reliability Standards. The SPM revisions team has not identified the need to change how 30-day comment periods are counted at this time.

**Pamela Hunter - Southern Company - Southern Company Services, Inc. - 1,3,5,6 - SERC, Group Name Southern Company**

**Answer** No

**Document Name**

**Comment**

Section 7.3, page 33: The updates to this section do not clearly explain the process for when an initial informal ballot does not pass, and the IDT does have the ability to make modifications to the Interpretation. Does the IDT have the option of posting the updated Interpretation for a 2nd informal or final ballot period? Is the only option in that case to have the SC submit a SAR for a potential future modification to the applicable Reliability Standard? If the IDT is not allowed to post an updated Interpretation for a 2nd informal comment/ballot period based on comments received in the initial ballot, what purpose does it serve to collect comments in the initial informal ballot if they cannot be incorporated into the Interpretation and the updates be voted on?

Likes 0

Dislikes 0

**Response**

Thank you for your comment. Upon further consideration, the SPM revisions team has decided to not to pursue the referenced Interpretation balloting and comment process changes at this time. Interpretations will continue to be balloted in the same manner as Reliability Standards.

**Barry Lawson - National Rural Electric Cooperative Association - 3,4**

**Answer** No

**Document Name**

**Comment**

NRECA strongly supports deleting the new exceptions (on page 33, Section 7.3, third solid bullet and the four added sub-bullets) for how interpretations should be balloted. We believe interpretations should be balloted in the same manner as reliability standards as they are currently described in the SPM.

Likes 0

Dislikes 0

**Response**

Thank you for your comment. Upon further consideration, the SPM revisions team has decided to not to pursue the referenced Interpretation balloting and comment process changes at this time. Interpretations will continue to be balloted in the same manner as Reliability Standards.

**Aaron Cavanaugh - Bonneville Power Administration - 1,3,5,6 - WECC**

**Answer** Yes

**Document Name**

**Comment**

None

Likes 0

Dislikes 0

**Response**

Thank you.

**Chris Scanlon - Exelon - 1**

**Answer** Yes

**Document Name**

**Comment**

With clarification, see below.

Likes 0

Dislikes 0

**Response**

Thank you for your comment. See response below.

**Joseph DePoorter - MGE Energy - Madison Gas and Electric Co. - 4, Group Name MRO NSRF**

**Answer** Yes

**Document Name**

**Comment**

We agree if our proposed changes are incorporated into the SPM.

Likes 0

Dislikes 0

**Response**

Thank you for your comment.

**Sean Bodkin - Dominion - Dominion Resources, Inc. - 6, Group Name Dominion**

**Answer** Yes

**Document Name**

**Comment**

Dominion suggests requiring the IDT to respond to comments even though the comment period is an informal one.

Likes 0

Dislikes 0

**Response**

Thank you for your comment. Upon further consideration, the SPM revisions team has decided to not to pursue the referenced Interpretation balloting and comment process changes at this time. Interpretations will continue to be balloted in the same manner as Reliability Standards.

**David Kiguel - David Kiguel - 8**

**Answer** Yes



<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you.	
<b>Andrew Gallo - Austin Energy - 6</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you.	
<b>Steven Rueckert - Western Electricity Coordinating Council - 10</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	

<b>Response</b>	
Thank you.	
<b>Ruida Shu - Northeast Power Coordinating Council - 1,2,3,4,5,6,7,8,9,10 - NPCC, Group Name RSC no Dominion</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	
<b>Karie Barczak - DTE Energy - Detroit Edison Company - 3, Group Name DTE Energy - DTE Electric</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	
<b>Michelle Amarantos - APS - Arizona Public Service Co. - 1</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	

<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you.	
<b>Rachel Coyne - Texas Reliability Entity, Inc. - 10</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you.	
<b>Karl Blaszkowski - CMS Energy - Consumers Energy Company - 1,3,4,5</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	

Thank you.	
<b>James Anderson - CMS Energy - Consumers Energy Company - 1,3,4,5</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	
<b>David Greyerbiehl - CMS Energy - Consumers Energy Company - 1,3,4,5</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	
<b>Chris Gowder - Chris Gowder On Behalf of: Carol Chinn, Florida Municipal Power Agency, 5, 6, 4, 3; David Schumann, Florida Municipal Power Agency, 5, 6, 4, 3; Joe McKinney, Florida Municipal Power Agency, 5, 6, 4, 3; Ken Simmons, Gainesville Regional Utilities, 1, 3, 5; Lynne Mila, City of Clewiston, 4; Randy Hahn, Ocala Utility Services, 3; Richard Montgomery, Florida Municipal Power Agency, 5, 6, 4, 3; Tom Reedy, Florida Municipal Power Pool, 6; - Chris Gowder, Group Name FMPPA</b>	
<b>Answer</b>	Yes

<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you.	
<b>Lauren Price - American Transmission Company, LLC - 1</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you.	
<b>Douglas Webb - Douglas Webb On Behalf of: Chris Bridges, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; Harold Wyble, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; James McBee, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; Jessica Tucker, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; - Douglas Webb</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	

Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	
<b>Shannon Mickens - Southwest Power Pool, Inc. (RTO) - 2 - SPP RE, Group Name SPP Standards Review Group</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	
<b>Jamie Monette - Allete - Minnesota Power, Inc. - 1</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	
<b>John Seelke - LS Power Transmission, LLC - 1</b>	

<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
See response to Q6.	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you. Please see SPM revisions team response to your comments submitted in response to Question 6.	
<b>Thomas Rafferty - Edison International - Southern California Edison Company - 5</b>	
<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
Please refer to comments submitted by Deborah VanDeventer on behalf of Southern California Edison.	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you for your comment. Please refer to the response to Ms. VanDeventer.	
<b>Kenya Streeter - Edison International - Southern California Edison Company - 6</b>	
<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
Please refer to comments submitted by Deborah VanDeventer on behalf of Southern California Edison	
Likes 0	

Dislikes 0

**Response**

Thank you for your comment. Please refer to the response to Ms. VanDeventer.

**6. Do you have any other comments concerning Section 7.0 of the SPM?**

**Pamela Hunter - Southern Company - Southern Company Services, Inc. - 1,3,5,6 - SERC, Group Name Southern Company**

**Answer**

**Document Name**

**Comment**

No.

Likes 0

Dislikes 0

**Response**

Thank you.

**Brian Van Gheem - ACES Power Marketing - 6 - NA - Not Applicable, Group Name ACES Standards Collaborators**

**Answer**

**Document Name**

**Comment**

We believe a request for interpretation to clarify a standard effective date and/or applicability should not be rejected. Ambiguities in effective dates and applicability render a Standard potentially unenforceable, and most certainly limit the desired effect on reliability. We see no other effective mechanism in place to resolve these ambiguities. Support documentation, as outlined in Section 11 of the proposed document, only explains or facilitates the understanding of Reliability Requirements. The other approach currently available to Registered Entities - to follow up with their Regional Entity for clarification - is not only cumbersome, it results in inconsistencies between Regions as well as potential risks to the BES as a result of confusion over effective dates and applicability of a Standard.. We recommend removing the reference entirely from the list in Section 7.2.1.



Likes	0
Dislikes	0
<b>Response</b>	
Thank you for your comment. Under current practice, Interpretations may only be provided for Reliability Standard Requirements and any attachments referenced in those Requirements. The SPM revisions team believes this is an appropriate scope for Interpretations, and that NERC and the Regional Entities are the appropriate bodies to provide guidance and resolve ambiguities regarding implementation plan and standard applicability issues.	
<b>Jamie Monette - Allete - Minnesota Power, Inc. - 1</b>	
<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
No	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	
<b>Elizabeth Axson - Electric Reliability Council of Texas, Inc. - 2</b>	
<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
1.) The document should be consistent in its references. Use <i>“Request for Interpretation”</i> or <i>“request”</i> but not both (unless the document makes clear that the term <i>“Request”</i> is an abbreviation of <i>“Request for Interpretation”</i> ). NERC staff in its Alignment of Terms has pushed using “verbs” following bullets. See below.	
<b>Proposed by SRC</b>	

### **“7.2.1: Criteria for Acceptance of a Request for Interpretation**

A *Request for Interpretation* may be accepted where the meaning of a Reliability Standard is not plain on its face or the *Request for Interpretation* seeks clarity on:

- Requirement wording that is unclear to NERC Staff (..... The entity making this decision is open for SDT discussion .....
- A requirement term is used in different ways in multiple contexts
- A requirement term or issue that has evolved or changed meaning

### **7.2.2: Criteria for Rejection of a Request for Interpretation**

A *Request for Interpretation* may be rejected where the meaning of a Reliability Standard is plain on its face or the *Request for Interpretation*:

- Seeks approval of a specific compliance approach
- Can be addressed by incorporating the issue into an existing or pending standard or pending Project
- Seeks clarification of any element of a Reliability Standard other than a Requirement.
- Has already been addressed in the record.;
- Proposes the development of a new or modified Reliability Standard
- Seeks to expand the scope of a Reliability Standard”

2.)The NERC proposed changes makes a distinction between a *Request for Interpretation* and the Interpretation for comment and balloting. The SRC proposes that the same words not be used for both purposes. The burden for submitting a SAR should not rest solely on the interpretation team.

### **Proposed by SRC:**

### **“7.3: Development of an Interpretation for Comment and Ballot**

Within 180 days following the Standards Committee’s request for NERC staff to assemble an Interpretation Drafting Team, NERC staff shall empower an Interpretation Team to draft an Interpretation consistent with Section 7.1 for formal comment and ballot

#### **7.3.1 Draft Interpretation Processing**

NERC Staff shall review the Interpretation Team’s draft proposal to ensure the draft is consistent with Sections 7.1, 7..... and submit the NERC Staff’s review and recommendations to the Standards Committee

The Standards Committee shall review the Interpretation Drafting Team’s draft Interpretation as well as the NERC Staff’s review and recommendations. The Standards Committee shall:

- o Authorize the posting of the draft Interpretation for comment and ballot, or
- o Reject the draft Interpretation (ending the process), or
- o Remand the draft back to the Interpretation Team with suggested changes and a new round of review

A Standards Committee authorized draft shall be balloted in the same manner as Reliability Standards (see Section 4.0), with the following exceptions:

- Interpretations shall be posted for a 30-day informal comment period. The Interpretation drafting team is not required to respond in writing to comments submitted during this comment period.
- The NERC Reliability Standards Staff shall establish a ballot pool during the first 20 days of the 30-day informal comment period.
- The ballot window shall take place during the last 10 calendar days of the 30-day informal comment period.
- Final Ballots shall not be conducted for Interpretations. An Interpretation shall be deemed approved by the ballot pool following the first ballot in which the necessary quorum and sufficient affirmative votes are obtained.

If ballot results indicate that there is not a consensus for the Interpretation, and the Interpretation drafting team cannot revise the Interpretation without violating the criteria for what constitutes a valid Interpretation (see Section 7.1), the Interpretation drafting team shall notify the Standards Committee of its conclusion and may submit a SAR with the proposed modification to the Reliability Standard.”

Likes	0
Dislikes	0

### Response

Thank you for your comments. The SPM revisions team responds as follows:

The SPM revisions team does not believe that Section 7 would benefit from the additional proposed language. Section 7, both the current language and as proposed, provides the criteria for a valid Interpretation and provides the situations when a request may be rejected.

The request for Interpretation and the draft or final Interpretation are separate documents; one initiates the project, and the other is the result of the project, much like a SAR and a Reliability Standard. Section 7.3 provides that an Interpretation drafting team may submit a SAR if it identifies a reliability-related issue in the standard or is unable to develop a valid Interpretation that achieves ballot body consensus. The Interpretation drafting team is not required to submit a SAR in either case, but it is required to notify the Standards Committee of its conclusion.

With respect to the comments for improving Section 7.3, upon further consideration, the SPM revisions team has decided to not to pursue the referenced Interpretation balloting and comment process changes at this time. Interpretations will continue to be balloted in the same manner as Reliability Standards.

**Douglas Webb - Douglas Webb On Behalf of: Chris Bridges, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; Harold Wyble, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; James McBee, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; Jessica Tucker, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; - Douglas Webb**

**Answer**

**Document Name**

**Comment**

None.

Likes 0

Dislikes 0

**Response**

Thank you.

**David Ramkalawan - Ontario Power Generation Inc. - 5**

**Answer**

**Document Name**

**Comment**

OPG is concerned that the newly proposed reduction to 30 calendar days from the 45-day formal comment period could result in the reduction of the level of effort and the quality of the reviews.

OPG does not agree with the 7.2.1 Rejection of an Interpretation Request, based on the following explanation: “Where the issue can be addressed by incorporating the issue into an existing or future standard development project.”. A time commitment should be considered and stated before rejecting the request, in other words the Interpretation Request is not being rejected outright by simply being postponed to a more appropriate time.

Likes 0

Dislikes 0

**Response**

Thank you for your comments. Upon further consideration, the SPM revisions team has decided to not to pursue the referenced Interpretation balloting and comment process changes at this time. Interpretations will continue to be balloted in the same manner as Reliability Standards. Section 7.2.1 has been revised to provide clarity. Examples of the type of projects contemplated by this provision would include existing standard development projects and projects identified in the annual Reliability Standards Development Plan.

**Lauren Price - American Transmission Company, LLC - 1**

**Answer**

**Document Name**

**Comment**

None

Likes 0

Dislikes 0

**Response**

Thank you.

**Kenya Streeter - Edison International - Southern California Edison Company - 6**

**Answer**

**Document Name**

**Comment**

Please refer to comments submitted by Deborah VanDeventer on behalf of Southern California Edison

Likes 0

Dislikes 0

**Response**

Thank you. Please refer to the response to Ms. VanDeventer.

**Romel Aquino - Edison International - Southern California Edison Company - 3**

**Answer**

**Document Name**

**Comment**

None.

Likes 0

Dislikes 0

**Response**

Thank you.

**Thomas Rafferty - Edison International - Southern California Edison Company - 5**

**Answer**

**Document Name**

**Comment**

Please refer to comments submitted by Deborah VanDeventer on behalf of Southern California Edison.

Likes 0

Dislikes 0

**Response**

Thank you. Please refer to the response to Ms. VanDeventer.

**Colby Bellville - Duke Energy - 1,3,5,6 - FRCC,SERC,RF, Group Name Duke Energy**

**Answer**

**Document Name**

**Comment**

In Footnote 27, the reference to the CMEP process is vague. Is this in reference to the Compliance Guidance Policy? Duke Energy agrees with the comments submitted by LS Power Transmission regarding the broadening of the scope of Requests for Interpretations to also include questions regarding "Applicability" and "Effective Date".

Likes 0

Dislikes 0

**Response**

Thank you for your comments. The language regarding CMEP processes includes the Compliance Guidance process. Specific processes are not identified by name to avoid the need for further SPM changes should the process names change or additional applicable processes be developed. With respect to the second comment, under current practice, Interpretations may only be provided for Reliability Standard Requirements and any attachments referenced in those Requirements. The SPM revisions team believes this is an appropriate scope for Interpretations, and that NERC and the Regional Entities are the appropriate bodies to provide guidance and resolve ambiguities regarding implementation plan and standard applicability issues.

**Michael Godbout - Hydro-Quebec TransEnergie - 1 - NPCC**

**Answer**

**Document Name**

**Comment**

We support NPCC's comment that the interpretation process can be opened to other sections of the standard. Requirements are central to the standards development process. Other sections are usually reviewed more quickly and have historically had more errors or ambiguities. Allowing the submission of requests for interpretation of these sections would provide a channel for submitting these problems to NERC and potentially addressing them through an interpretation or an errata filing. We note that the proposed modifications clarify the interpretation process, but also narrow its scope slightly. We support broadening the scope because the interpretation process is currently the only relatively lightweight formal process to resolve ambiguities in standards.

Likes	0
Dislikes	0
<b>Response</b>	
Thank you for your comment. Under current practice, Interpretations may only be provided for Reliability Standard Requirements and any attachments referenced in those Requirements. The SPM revisions team believes this is an appropriate scope for Interpretations, and that NERC and the Regional Entities are the appropriate bodies to provide guidance and resolve ambiguities regarding implementation plan and standard applicability issues.	
<b>James Anderson - CMS Energy - Consumers Energy Company - 1,3,4,5</b>	
Answer	
Document Name	
<b>Comment</b>	
None.	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	
<b>Chris Scanlon - Exelon – 1</b>	
Answer	
Document Name	
<b>Comment</b>	
7.21 bullet 3. Reject an interpretaion when “an the issue can be addressed by incorporating the issue into an active existing or future standard drafting team development project” Propose this be clarified as existing Projects or standards included in Projects identified in a Board approved RSDP.	



Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you for your comment. Section 7.2.1 has been revised to provide clarity. Examples of the types of projects contemplated by this provision would include existing standard development projects and projects identified in the annual Reliability Standards Development Plan.	
<b>Karie Barczak - DTE Energy - Detroit Edison Company - 3, Group Name DTE Energy - DTE Electric</b>	
<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
No	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you.	
<b>Joseph DePoorter - MGE Energy - Madison Gas and Electric Co. - 4, Group Name MRO NSRF</b>	
<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
N/A	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you.	

**Shelby Wade - PPL NERC Registered Affiliates - 1,3,5,6 - SERC,RF, Group Name** PPL NERC Registered Affiliates

**Answer**

**Document Name**

**Comment**

Figure 2 (Process for Developing an Interpretation) is not referenced in the text of Section 7. It may be beneficial to remove Figure 2 entirely to ensure there are no discrepancies between the words of Section 7 and the figure. Likewise, numbering the steps directly in Section 7 may be beneficial and have the same effect as the figure.

Section 7.1 (Valid Interpretation) refers to documents which are attached to a standard as “attachment[s]”. It seems that any “attachment” to a Reliability Standard would be classified as a “Supporting Document” as described in Section 11 and this Section 7.1 should refer to a “Supporting Document” in lieu of an “attachment”.

Likes 0

Dislikes 0

**Response**

Thank you for your comments. The SPM revisions team believes it is useful to retain the figure in Section 7 but agrees that care must be taken to avoid discrepancies. The “attachments” referenced in Section 7.1 include attachments referenced in a Reliability Standard Requirement. These are distinct from supporting documents in that they are mandatory and enforceable parts of the standard and are part of the performance of the Requirement. See, e.g., the attachments referenced in TPL-007-1 Requirement R3 and TPL-001-4 Table 1 FN 12.

**Thomas Foltz - AEP – 5**

**Answer**

**Document Name**

**Comment**

AEP’s negative votes are primarily driven by our objections to reducing the turnaround time to less than 45 days for comment periods associated with Interpretations and Supporting Documentation.

Likes 0

Dislikes	0
<b>Response</b>	
Thank you for your comment. Upon further consideration, the SPM revisions team has decided to not to pursue the referenced Interpretation balloting and comment process changes at this time. Interpretations will continue to be balloted in the same manner as Reliability Standards.	
<b>LeRoy Patterson - Public Utility District No. 2 of Grant County, Washington - 6</b>	
<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
No	
Likes	2
Public Utility District No. 2 of Grant County, Washington, 5, Ybarra Alex; Public Utility District No. 2 of Grant County, Washington, 4, McMackin Yvonne	
Dislikes	0
<b>Response</b>	
Thank you.	
<b>Aaron Cavanaugh - Bonneville Power Administration - 1,3,5,6 - WECC</b>	
<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
None	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	

**John Seelke - LS Power Transmission, LLC - 1**

**Answer**

**Document Name**

LS Power Transmission comments re proposed Section 7.0 changes.docx

**Comment**

Due to SBS formatting limitations, separate comments are attached.

Likes 0

Dislikes 0

**Response**

Thank you for your comments. The SPM revisions team responds as follows:

Items 1-3: Regarding broadening the scope of interpretations: the SPM revisions team has limited its revisions to clarify the existing processes for developing Interpretations. Under current practice, Interpretations may only be provided for Reliability Standard Requirements and any attachments referenced in those Requirements. The SPM revisions team believes this is an appropriate scope for Interpretations, and that NERC and the Regional Entities are the appropriate bodies to provide guidance and resolve ambiguities regarding implementation plan and standard applicability issues. Therefore, the SPM revisions team disagrees with the need to revise the definition of the term Interpretation and the suggested changes related to expanding the scope of Interpretations in Section 7.

Item 4: A footnote has been added to provide the requested clarity as to what may be considered part of the “record”. Generally, the term refers to the record of development, regulatory approval record, or other materials developed to support the development or approval of a Reliability Standard.

Item 5: The language has been revised so that it is clear that the Standards Committee will appoint interpretation drafting teams.

Item 6: Section 7.2 was modified to include the following: “NERC Staff shall periodically communicate to the Standards Committee the status of all Interpretation requests that are pending resolution.” The SPM revisions team believes that concerns regarding the timeliness of processing Interpretation requests can be addressed through these regular updates to the Standards Committee. As NERC Staff has made a concerted effort to reduce the amount of time necessary to conduct the necessary outreach and research to develop an informed

recommendation on each Interpretation request, the SPM revisions team believes routine updates to the Standards Committee should provide transparency to the Interpretation process and timelines.

Items 7-8: The SPM revisions team does not believe it is necessary to create a formal definition for the term “implementation plan” in order to accomplish the process revisions being undertaken through this project.

**David Kiguel - David Kiguel – 8**

**Answer**

**Document Name**

**Comment**

Suggest changing Section 7.2.2 to: "If the Standards Committee accepts the Interpretation request, the Standards Committee shall authorize NERC Reliability Standards Staff to identify individuals with the relevant expertise and recommend the composition of an Interpretation drafting team to address the request, for approval by the Standards Committee." The SC should ultimately approve the team membership. Section 7.3 proposes that, if approved by the ballot pool, staff shall review the final Interpretation to determine whether it has met the requirements for a valid Interpretation before recommending adoption by the BoT. A mechanism should be provided to perform such review before the interpretation being balloted. If the draft does not meet the requirement for valid interpretation, it should not reach the balloting stage.

Likes 0

Dislikes 0

**Response**

Thank you for your comments. The language of Section 7.2.2 has been revised so that the Standards Committee will appoint interpretation drafting teams. Regarding NERC Staff review, the proposed revisions contemplate that NERC Staff will formally review and provide recommendations on whether an Interpretation is a valid Interpretation at two stages: (1) of the draft Interpretation, prior to the Standards Committee authorizing approval to post for comment and ballot; and (2) of the final Interpretation as approved by the ballot pool, prior to Board of Trustees adoption. As a practical matter, NERC Staff will continue to provide feedback on any changes that are made to the draft Interpretation as a result of the commenting and balloting process.

**7. Do you agree with the revisions to Section 11.0 of the SPM?**

**John Seelke - LS Power Transmission, LLC - 1**

**Answer** No

**Document Name**

**Comment**

While LSPT understands that this section is intended to be limited to technical documents, that limitation is not made clear. Therefore, LSPT recommends that the word “technical” be inserted in the Section 11 heading – “Process for Approving Supporting *Technical* Documents.” “Technical” should also be included in the first sentence, which LSPT recommends modifying as follows: “The NERC Standards Committee oversees the development and approval of *technical* documents identified as supporting documents to Reliability Standards approved by the Applicable Governmental Authority.”

Likes 0

Dislikes 0

**Response**

Thank you for comment. The SPM revisions team has made the suggested revisions for clarity.

**LeRoy Patterson - Public Utility District No. 2 of Grant County, Washington - 6**

**Answer** No

**Document Name**

**Comment**

Section 11.2 provides absolute veto power by NERC Staff regarding whether a document meets the numbered bullet items (1 - 3), thereby meeting requirements of a Supporting Document. There must be some means of appealing the decision of NERC Staff in this regard. Perhaps, a Stakeholder proposing a supporting document that is unable or unwilling to address NERC Staff concerns could provide rationale for why he/she believes the document meets stated requirements to an appropriate technical committee or directly to the Standards Committee. This appeal process should require good faith efforts to address staff concerns, but if concerns remain unresolved, provide impartial representation and hearing in whatever the selected appellate forum by both the stakeholder and NERC Staff.

Likes	2	Public Utility District No. 2 of Grant County, Washington, 5, Ybarra Alex; Public Utility District No. 2 of Grant County, Washington, 4, McMackin Yvonne
Dislikes	0	
<b>Response</b>		
<p>Thank you for your comment. The SPM revisions team believes that it is appropriate to have NERC Staff make these initial determinations, as Section 11 applies only to the posting of certain types of documents on the NERC website that explain or facilitate understanding of <i>approved</i> Reliability Standards. In other words, the documents being posted support standards that are currently mandatory and enforceable, or will be mandatory and enforceable at a future date. Additionally, if NERC staff determines that a submitted document does not meet the criteria in proposed Section 11.2, it must provide notice to the submitter and the Standards Committee. Should the submitter seek to revise the document or discuss further with NERC staff, it may do so.</p>		
<b>Joseph DePoorter - MGE Energy - Madison Gas and Electric Co. - 4, Group Name MRO NSRF</b>		
Answer	No	
Document Name		
<b>Comment</b>		
<p>In the last paragraph of Section 11.1, it states, “Supporting documents do not include documents that contain specific compliance approaches or examples of compliance. Such documents would be developed in accordance with the applicable NERC Compliance Monitoring and Enforcement Program process”. This statement is contrary to examples of evidence as in CIP-003-6, Attachment 2, as an example. We believe that complying with a NERC Standard should be as easy as possible for the responsible entity. The ERO (and its delegated parties) should make every attempt to assure that examples of what compliance MAY look like every chance they get. If the SPM calls it a “Reference” then fine, everything can be called a “reference”. The Standard is their to support the Reliability of the BPS, not a compliance catch to see if the entity understands how to comply with a Standard.</p>		
Likes	0	
Dislikes	0	
<b>Response</b>		
<p>Thank you for your comments. The SPM revisions team agrees that it is important for there to be a common understanding among industry and ERO Enterprise Compliance Monitoring and Enforcement Program (CMEP) staff of how compliance can be achieved and demonstrated. To</p>		

that end, in November 2015, the NERC Board of Trustees approved the [Compliance Guidance Policy](#), which outlines a mechanisms for registered entities to develop Implementation Guidance documents that provide examples or approaches to illustrate how registered entities could comply with a standard that are vetted by industry and submit those documents to NERC for endorsement by the ERO Enterprise. The ERO Enterprise’s endorsement of an example means the ERO Enterprise CMEP staff will give these examples deference when conducting compliance monitoring activities. Registered entities can rely upon the example and be reasonably assured that compliance requirements will be met with the understanding that compliance determinations depend on facts, circumstances, and system configurations.

The purpose of modifying Section 11 to provide that supporting technical documents under Section 11 do not include those that contain specific compliance approaches is to distinguish between Implementation Guidance documents endorsed by the ERO Enterprise and supporting documents posted under Section 11. As Section 11 does not provide a process for ERO Enterprise endorsement of a specific document, the proposed language helps to avoid confusion on the ERO Enterprise’s endorsement of documents providing compliance approaches. Documents that contain specific compliance approaches are properly addressed through the applicable NERC and Regional Entity guidance processes.

**Michael Haff - Seminole Electric Cooperative, Inc. - 1,3,4,5,6 - FRCC**

<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Adopt the comments of the National Rural Electric Cooperative Association (NRECA).	
Likes	0
Dislikes	0

**Response**

Thank you. Please refer to the response to NRECA’s comments.

**Mark Riley - Associated Electric Cooperative, Inc. - 1, Group Name AECE & Member G&Ts**

<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	



AECI & its member G&Ts support the National Rural Electric Cooperative Association's comments listed below:  
In Section 11.2, NRECA strongly recommends that a time limit be added for how long NERC Reliability Standards Staff has to evaluate a supporting document. Without a time limit requirement, there is no incentive for NERC Reliability Standards Staff to act on the request. NRECA recommends that a 120 day time limit requirement be added for NERC staff to complete and announce publicly to the Standards Committee whether a supporting document has met the three criteria. Additionally, NERC staff should notify the requester within 10 days, after finishing their 120 day evaluation, what the next steps are as proposed in the paragraphs after the three criteria in Section 11.2.

Likes 0

Dislikes 0

### Response

Thank you. Please refer to the response to NRECA's comments.

**Douglas Webb - Douglas Webb On Behalf of: Chris Bridges, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; Harold Wyble, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; James McBee, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; Jessica Tucker, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; - Douglas Webb**

Answer

No

Document Name

### Comment

Industry relies on the Guidance and Technical Basis supporting documents—and the information they provide—to affirm the intent of the SDT and provide a basis for the standards and requirements which are posted for ballot.

At the time a Standard is enforceable, the guidance document's authority and value is not universally accepted in the same light by entities and the ERO. The authority of the document and information entities' relied upon in evaluating the proposed Standard, inform their vote, and guide implementation of the Standard, is inconsistently recognized by the ERO in compliance and enforcement matters.

The changes to Section 11 work to remedy this issue and provide a process based approach for supporting documentation; however, the revision language falls short by not affirmatively recognizing the weight and authority the supporting documents carry in a standard's balloting process and in strengthening BPS reliability and security.

Likes 0

Dislikes 0

**Response**

Thank you for your comment. Supporting technical documents posted pursuant to Section 11 are distinct from documents or guidelines drafted by standard drafting teams during the standard development process. To clarify this, revisions are proposed to both Section 4.0 (see Section 4.4.2) and Section 11.0 of the SPM.

During development, a standard drafting team may, at its discretion, develop documents to explain the technical rationale for the proposed standard (see revised Section 4.4.2). On June 13, 2017, the Standard Committee endorsed the [Technical Rationale for Reliability Standards](#) document and its approach for the development of technical rationale documents during standards development. Standard drafting teams may also submit Implementation Guidance for ERO Enterprise endorsement during development.

Section 11, by contrast, applies to the posting of certain types of supporting technical documents on the NERC website that are not developed by the standard drafting team as part of the standard development process. These documents are intended to explain or facilitate understanding of *approved* Reliability Standards (i.e., standards that are currently mandatory and enforceable, or will be mandatory and enforceable at a future date.) The process set forth in Section 11 is intended to ensure that such “third party” documents are consistent with the standard they purport to explain and that they have received adequate technical review before they may be posted on the NERC website.

**Elizabeth Axson - Electric Reliability Council of Texas, Inc. - 2**

<b>Answer</b>	No
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<b>Document Name</b>	
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**Comment**

See comments for Question #8

Likes	0
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Dislikes	0
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**Response**

Thank you. Please see response to Question #8.

**Pamela Hunter - Southern Company - Southern Company Services, Inc. - 1,3,5,6 - SERC, Group Name Southern Company**

<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
<p>(a) The revised Section 11.0 seems to only contemplate new, prospective Supporting Documents yet to be developed. The Section does not address how an existing document would be treated in the NERC Reliability Standards Development Process if, for example, updates were required to harmonize the document with a revised version of a Reliability Standard. Standard Drafting Teams should have the discretion to make administrative or substantive revisions to existing documents as necessary. To remedy this concern, the SPM should include language affirming the Standard Drafting Team's ability to make such changes. Additionally, existing documents should be exempt from any new procedure whenever conforming/harmonizing revisions become necessary.</p> <p>(b) The table, 11.1: Types of Supporting Documents, deletes the following titles and descriptions from the SPM: "Guideline", "Supplement", "Training Material", and "Procedure". Many SDTs develop "Guidelines and Technical Basis" documents as supplements to Reliability Standards. These supplements are very helpful in explaining the rationale behind new/modified requirements and in determining how best to implement new/modified requirements. With the removal of Guidelines from the SPM, will these documents now be separate from the Standards Development Process, or will they continue to be developed as "Reference" documents? Also, does this proposed revision alter the disposition of existing documents already vetted under the RSDP? It is not clear how the SPM treats existing documents. The SC and SCPS should clarify if existing documents are beyond the scope of this SPM revision or if they must be revised to conform to one of the three remaining or proposed "types" of Supporting Document - namely, "Reference", "Lessons Learned", or "White Paper" - in the event this proposal is approved.</p> <p>(c) Proposed subsection 11.2: Process for Proposing and Evaluating Supporting Document provides three criteria for NERC Staff's review. The first criteria is based on the "type of supporting document subject to this Section". If taken literally, Table 11.1 will limit any submittal to one of three types - Reference, Lessons Learned, and White Paper. NERC should clarify if the limitation to one of three types of document was the desired intent.</p>	
Likes	0
Dislikes	0
<b>Response</b>	

Thank you for your comments. Please refer to the revisions to Section 11.0 and Section 4.0 of the SPM, which are intended to clarify the differences between documents which may be developed by standard drafting teams during the standard development process (see Section 4.4.2) and documents developed outside that process that explain or facilitate understanding of *approved* Reliability Standards (i.e., standards that are currently mandatory and enforceable, or will be mandatory and enforceable at a future date) (Section 11). Note that on June 13, 2017, the Standard Committee endorsed the [Technical Rationale for Reliability Standards](#) document and its approach for the development of technical rationale documents during standards development. Standard drafting teams may also submit Implementation Guidance for ERO Enterprise endorsement during development.

The SPM revisions team’s intent was to limit the classes of documents that may be posted as supporting technical documents to approved Reliability Standards under this Section to the following: (i) references; (ii) lessons learned; and (iii) white papers. This section does not preclude the development of other types of documents during the standard development process; rather, it limits the types of documents that may be posted alongside the approved Reliability Standard after the Reliability Standard has been approved for which the NERC Standards Committee has oversight. Other types of documents may be developed and approved for posting on the NERC website through other processes, such as the CMEP compliance guidance process.

**Barry Lawson - National Rural Electric Cooperative Association - 3,4**

<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
In Section 11.2, NRECA strongly recommends that a time limit be added for how long NERC Reliability Standards Staff has to evaluate a supporting document. Without a time limit requirement, there is no incentive for NERC Reliability Standards Staff to act on the request. NRECA recommends that a 120 day time limit requirement be added for NERC staff to complete and announce publicly to the Standards Committee whether a supporting document has met the three criteria. Additionally, NERC staff should notify the requester within 10 days, after finishing their 120 day evaluation, what the next steps are as proposed in the paragraphs after the three criteria in Section 11.2.	
Likes 0	
Dislikes 0	
<b>Response</b>	

Thank you for your comment. As NERC staff has committed to keep the Standards Committee updated on the status of documents submitted under Section 11 of the SPM, and as the time necessary to determine whether a proposed supporting document is consistent with the purpose and intent of the associated approved Reliability Standard is likely to vary depending on the document, retaining flexibility on providing stakeholders with updates may be a more appropriate path forward.

**Aaron Cavanaugh - Bonneville Power Administration - 1,3,5,6 - WECC**

<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
None	
Likes	0
Dislikes	0

**Response**

Thank you.

**Romel Aquino - Edison International - Southern California Edison Company - 3**

<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
None.	
Likes	0
Dislikes	0

**Response**

Thank you.

**David Kiguel - David Kiguel - 8**

<b>Answer</b>	Yes
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<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you.	
<b>Andrew Gallo - Austin Energy - 6</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you.	
<b>Steven Rueckert - Western Electricity Coordinating Council - 10</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	

<b>Response</b>	
Thank you.	
<b>Ruida Shu - Northeast Power Coordinating Council - 1,2,3,4,5,6,7,8,9,10 - NPCC, Group Name RSC no Dominion</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	
<b>Karie Barczak - DTE Energy - Detroit Edison Company - 3, Group Name DTE Energy - DTE Electric</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	
<b>Rachel Coyne - Texas Reliability Entity, Inc. - 10</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	

**Comment**

Likes 0

Dislikes 0

**Response**

Thank you.

**Michelle Amaranos - APS - Arizona Public Service Co. - 1**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

Thank you.

**Sean Bodkin - Dominion - Dominion Resources, Inc. - 6, Group Name Dominion**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**



Thank you.	
<b>Karl Blaszkowski - CMS Energy - Consumers Energy Company - 1,3,4,5</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	
<b>James Anderson - CMS Energy - Consumers Energy Company - 1,3,4,5</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	
<b>David Greyerbiehl - CMS Energy - Consumers Energy Company - 1,3,4,5</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	

Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	
<b>Deborah VanDeventer - Edison International - Southern California Edison Company - 1,3,5,6 - WECC</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	
<b>Chris Gowder - Chris Gowder On Behalf of: Carol Chinn, Florida Municipal Power Agency, 5, 6, 4, 3; David Schumann, Florida Municipal Power Agency, 5, 6, 4, 3; Joe McKinney, Florida Municipal Power Agency, 5, 6, 4, 3; Ken Simmons, Gainesville Regional Utilities, 1, 3, 5; Lynne Mila, City of Clewiston, 4; Randy Hahn, Ocala Utility Services, 3; Richard Montgomery, Florida Municipal Power Agency, 5, 6, 4, 3; Tom Reedy, Florida Municipal Power Pool, 6; - Chris Gowder, Group Name FMPPA</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes	0
Dislikes	0

**Response**

Thank you.

**Michael Godbout - Hydro-Quebec TransEnergie - 1 - NPCC**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

Thank you.

**Lauren Price - American Transmission Company, LLC - 1**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

Thank you.

**David Ramkalawan - Ontario Power Generation Inc. - 5**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

Thank you.

**Shannon Mickens - Southwest Power Pool, Inc. (RTO) - 2 - SPP RE, Group Name SPP Standards Review Group**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

Thank you.

**Jamie Monette - Allete - Minnesota Power, Inc. - 1**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

Thank you.	
<b>Brian Van Gheem - ACES Power Marketing - 6 - NA - Not Applicable, Group Name ACES Standards Collaborators</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	
<b>John Seelke - LS Power Transmission, LLC - 1</b>	
<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
While LSPT understands that this section is intended to be limited to technical documents, that limitation is not made clear. Therefore, LSPT recommends that the word “technical” be inserted in the Section 11 heading – “Process for Approving Supporting <i>Technical</i> Documents.” “Technical” should also be included in the first sentence, which LSPT recommends modifying as follows: “The NERC Standards Committee oversees the development and approval of <i>technical</i> documents identified as supporting documents to Reliability Standards approved by the Applicable Governmental Authority.”	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you for your comment. The suggested revisions have been made for clarity.	
<b>Thomas Rafferty - Edison International - Southern California Edison Company - 5</b>	

<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
Please refer to comments submitted by Deborah VanDeventer on behalf of Southern California Edison.	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	
<b>Kenya Streater - Edison International - Southern California Edison Company - 6</b>	
<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
Please refer to comments submitted by Deborah VanDeventer on behalf of Southern California Edison	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you for your comment. Please refer to the response to Ms. VanDeventer.	
<b>Daniela Hammons - CenterPoint Energy Houston Electric, LLC - 1 - Texas RE</b>	
<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
CenterPoint Energy does not agree with the revisions to Section 11.0 and is unclear why the proposed edits are necessary. The Company believes the deletion of "Guidelines" in particular from the type of supporting document identified under Section 11.0 creates confusion. This	

proposed deletion coupled with the separation of the “Guidelines and Technical Basis” section from the development of CIP-013 creates uncertainty regarding the status of this vital information moving forward. How will this information be developed in future? Who will “own” this information? Where will it be stored? How will it be reviewed, revised, and approved? Many registered entities utilize the “Guidelines and Technical Basis” section when reviewing a proposed Standard to better understand the Standard Drafting Team’s intent. This information can be key in determining how to ballot a proposed Standard. There is reference in Section 11.0 to compliance approaches being developed “in accordance with the applicable NERC Compliance Monitoring and Enforcement Program process”; however, this process is unclear in the context of “Guidelines and Technical Basis”. CenterPoint Energy recommends that the proposed edits to Section 11.0 be deleted until further clarification is shared with the industry.

Likes 0

Dislikes 0

### Response

Thank you for your comment. Supporting technical documents posted pursuant to Section 11 are distinct from documents or guidelines drafted by standards drafting teams during the standard development process. Revisions are made to Section 11 and Section 4.4.2 of the SPM to clarify the distinctions.

Section 11 applies only to the posting of certain types of supporting documents on the NERC website that explain or facilitate understanding of *approved* Reliability Standards. In other words, the documents being posted support standards that are currently mandatory and enforceable, or will be mandatory and enforceable at a future date.

During development, a standard drafting team may, at its discretion, develop documents to explain the technical rationale for the proposed standard and post those documents on the standard project page consistent with Standard Committee procedures and policies and with Section 4.4.2 of the SPM. On June 13, 2017, the Standard Committee endorsed the [Technical Rationale for Reliability Standards](#) document and its approach for the development of technical rationale documents during standards development. Standard drafting teams may also submit Implementation Guidance for ERO Enterprise endorsement during development.

The proposed changes to Section 11 do not impact a standard drafting team’s ability to develop technical guidelines during development or for any entity, as well as drafting teams, from submitting compliance approaches as Implementation Guidance to be endorsed by the ERO Enterprise. The purpose of deleting references to compliance guidance in Section 11 is to avoid confusion of the import of Section 11 guidance, which is not approved or endorsed by the ERO.

**8. Do you agree with the proposed process for vetting documents that may be posted as a supporting document to an approved Reliability Standard?**

**Barry Lawson - National Rural Electric Cooperative Association - 3,4**

**Answer** No

**Document Name**

**Comment**

See comments above in question 7.

Likes 0

Dislikes 0

**Response**

Thank you. Please see response to comments under question 7.

**Elizabeth Axson - Electric Reliability Council of Texas, Inc. - 2**

**Answer** No

**Document Name**

**Comment**

Section 11.0 starts off with, ‘The NERC Standards Committee oversees the development and approval of documents identified as supporting documents to Reliability Standards approved by the Applicable Governmental Authority.’ The SRC believes that to better perform the oversight role, the Standards Committee should have more visibility into the supporting documents that are submitted into the process. As drafted the Standards Committee would only be notified of supporting documents that have passed an initial screening. The SRC suggests that NERC Reliability Staff provide reports to the Standards Committee on types of supporting evidence that are submitted, and establish a tracking tool to monitor how the vetting process is progressing that may include: entity submitting, topic of material and technical resources used to support the vetting process. An SDT should be obligated to make supporting documents available to stakeholders that they relied upon to arrive at a conclusion/proposal. The SRC believes this would provide for a more transparent process that will improve the supported current proposal.



Likes	0
Dislikes	0
<b>Response</b>	
Thank you for your comments. These suggestions regarding how to implement the revised Section 11 will be passed along for further consideration.	
<b>Mark Riley - Associated Electric Cooperative, Inc. - 1, Group Name</b> AECl & Member G&Ts	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Please reference NRECA's response to question 7.	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you for your comment. Please see response to NRECA under question 7.	
<b>Chris Gowder - Chris Gowder On Behalf of: Carol Chinn, Florida Municipal Power Agency, 5, 6, 4, 3; David Schumann, Florida Municipal Power Agency, 5, 6, 4, 3; Joe McKinney, Florida Municipal Power Agency, 5, 6, 4, 3; Ken Simmons, Gainesville Regional Utilities, 1, 3, 5; Lynne Mila, City of Clewiston, 4; Randy Hahn, Ocala Utility Services, 3; Richard Montgomery, Florida Municipal Power Agency, 5, 6, 4, 3; Tom Reedy, Florida Municipal Power Pool, 6; - Chris Gowder, Group Name</b> FMPA	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Supporting documents should be posted for stakeholder comment regardless of whether they are being developed alongside development of an associated Reliability Standard or separately. As currently drafted, it is not clear whether a public comment period is required to achieve "adequate stakeholder review". We believe it should be.	

Likes	0
Dislikes	0
<b>Response</b>	
Thank you for your comment. The intent of this criterion is to assess whether a proposed supporting document to an approved Reliability Standard has been sufficiently vetted for its technical content. Public comment is one way to vet the technical content of the document but there may be other ways to ensure sufficient vetting has occurred.	
<b>Michael Haff - Seminole Electric Cooperative, Inc. - 1,3,4,5,6 - FRCC</b>	
Answer	No
Document Name	
<b>Comment</b>	
Adopt the comments of the National Rural Electric Cooperative Association (NRECA).	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you for your comments. Please see response to NRECA.	
<b>Joseph DePoorter - MGE Energy - Madison Gas and Electric Co. - 4, Group Name MRO NSRF</b>	
Answer	No
Document Name	
<b>Comment</b>	
Supporting Documentation may contain examples of a certain way an applicable entity could become compliant with the Standard. There is really no one size fits all approach for every entity to do the same thing and everyone be compliant. FERC Order 693 section 253 states that in order to be compliant you need to satisfy the Requirement. FERC also said in FERC Order 706, section 73, that “Measures are intended to gauge or document compliance, failure to meet a Measure is almost always going to result in a violation”. The SPM should expand the example of possible compliance actions an entity could use to be compliant.	

Likes 1	Larry Heckert, N/A, Heckert Larry
Dislikes 0	
<b>Response</b>	
Thank you for your comment. The current draft of Section 11 of the SPM does not contemplate the posting of supporting documents that provide compliance approaches. Documents that provide compliance approaches for approved Reliability Standards should be reviewed and endorsed through the applicable CMEP processes, such as the compliance guidance process.	
<b>LeRoy Patterson - Public Utility District No. 2 of Grant County, Washington - 6</b>	
Answer	No
Document Name	
<b>Comment</b>	
Please refer to response to question 7.	
Likes 2	Public Utility District No. 2 of Grant County, Washington, 5, Ybarra Alex; Public Utility District No. 2 of Grant County, Washington, 4, McMackin Yvonne
Dislikes 0	
<b>Response</b>	
Thank you. Please see response to comments under question 7.	
<b>Thomas Foltz - AEP - 5</b>	
Answer	No
Document Name	
<b>Comment</b>	
Supporting documentation, white papers for example, are often voluminous and/or fairly complex. The existing 45 day comment period is more appropriate than the proposed 30 days, and would allow industry to develop and provide more meaningful input.	
Likes 0	
Dislikes 0	

**Response**

Thank you for your comment. The SPM revisions team believes the revisions to Section 11.2 provide flexibility to the Standards Committee to direct a longer (or shorter) comment period depending on the nature and technical complexity of the proposed supporting document. The purpose is to ensure that any document to be posted as a supporting document has received adequate stakeholder review to assess its technical adequacy. In determining whether there has been adequate stakeholder vetting, NERC Staff and the Standards Committee may account for the process used to vet the document, including the time relevant entities had to comment on the document.

**Romel Aquino - Edison International - Southern California Edison Company - 3**

**Answer** Yes

**Document Name**

**Comment**

None.

Likes 0

Dislikes 0

**Response**

Thank you.

**Aaron Cavanaugh - Bonneville Power Administration - 1,3,5,6 - WECC**

**Answer** Yes

**Document Name**

**Comment**

None

Likes 0

Dislikes 0

**Response**

Thank you.

<b>Pamela Hunter - Southern Company - Southern Company Services, Inc. - 1,3,5,6 - SERC, Group Name</b> Southern Company	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	
<b>Brian Van Gheem - ACES Power Marketing - 6 - NA - Not Applicable, Group Name</b> ACES Standards Collaborators	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	
<b>Jamie Monette - Allete - Minnesota Power, Inc. - 1</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	

Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	
<b>Douglas Webb - Douglas Webb On Behalf of: Chris Bridges, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; Harold Wyble, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; James McBee, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; Jessica Tucker, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; - Douglas Webb</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	
<b>Shannon Mickens - Southwest Power Pool, Inc. (RTO) - 2 - SPP RE, Group Name SPP Standards Review Group</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	

Thank you.	
<b>David Ramkalawan - Ontario Power Generation Inc. - 5</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	
<b>Lauren Price - American Transmission Company, LLC - 1</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	
<b>Michael Godbout - Hydro-Quebec TransEnergie - 1 - NPCC</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	

Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you.	
<b>Deborah VanDeventer - Edison International - Southern California Edison Company - 1,3,5,6 - WECC</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you.	
<b>David Greyerbiehl - CMS Energy - Consumers Energy Company - 1,3,4,5</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you.	



**James Anderson - CMS Energy - Consumers Energy Company - 1,3,4,5**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

Thank you.

**Karl Blaszkowski - CMS Energy - Consumers Energy Company - 1,3,4,5**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

Thank you.

**Sean Bodkin - Dominion - Dominion Resources, Inc. - 6, Group Name Dominion**

**Answer** Yes

**Document Name**

**Comment**

Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	
<b>Michelle Amarantos - APS - Arizona Public Service Co. - 1</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	
<b>Rachel Coyne - Texas Reliability Entity, Inc. - 10</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	
<b>Karie Barczak - DTE Energy - Detroit Edison Company - 3, Group Name DTE Energy - DTE Electric</b>	

<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you.	
<b>Ruida Shu - Northeast Power Coordinating Council - 1,2,3,4,5,6,7,8,9,10 - NPCC, Group Name RSC no Dominion</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you.	
<b>Steven Rueckert - Western Electricity Coordinating Council - 10</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	

Dislikes	0
<b>Response</b>	
Thank you.	
<b>Andrew Gallo - Austin Energy - 6</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	
<b>David Kiguel - David Kiguel - 8</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	
<b>Kenya Streeter - Edison International - Southern California Edison Company - 6</b>	
Answer	

<b>Document Name</b>	
<b>Comment</b>	
Please refer to comments submitted by Deborah VanDeventer on behalf of Southern California Edison	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you for your comment. Please see response to Ms. VanDeventer.	
<b>Thomas Rafferty - Edison International - Southern California Edison Company - 5</b>	
<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
Please refer to comments submitted by Deborah VanDeventer on behalf of Southern California Edison.	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you for your comment. Please see response to Ms. VanDeventer.	

**9. Do you have any other comments concerning Section 11.0 of the SPM?**

**John Seelke - LS Power Transmission, LLC - 1**

**Answer**

**Document Name**

**Comment**

No.

Likes 0

Dislikes 0

**Response**

Thank you.

**David Kiguel - David Kiguel - 8**

**Answer**

**Document Name**

**Comment**

The plural word "criteria" is repeatedly used in Section 11.2 to refer to the singular. The correct singular word is "criterion." I suggest correcting.

Likes 0

Dislikes 0

**Response**

Thank you for your comment. The corrections have been made.

**Aaron Cavanaugh - Bonneville Power Administration - 1,3,5,6 - WECC**

**Answer**

**Document Name**

**Comment**

None

Likes 0

Dislikes 0

**Response**

Thank you.

**LeRoy Patterson - Public Utility District No. 2 of Grant County, Washington - 6**

**Answer**

**Document Name**

**Comment**

No

Likes 2

Public Utility District No. 2 of Grant County, Washington, 5, Ybarra Alex; Public Utility District No. 2 of Grant County, Washington, 4, McMackin Yvonne

Dislikes 0

**Response**

Thank you.

**Thomas Foltz - AEP - 5**

**Answer**

**Document Name**

**Comment**

AEP's negative votes are primarily driven by our objections to reducing the turnaround time to less than 45 days for comment periods associated with Interpretations and Supporting Documentation.

Likes 0

Dislikes 0

**Response**

Thank you for your comment. Please refer to earlier response regarding comment periods for Interpretations. With respect to Supporting Technical Documents, the SPM revisions team believes the revisions to Section 11.2 provide flexibility to the Standards Committee to direct a longer (or shorter) comment period depending on the nature and technical complexity of the proposed supporting document. The purpose is to ensure that any document to be posted as a supporting document has received adequate stakeholder review to assess its technical adequacy. In determining whether there has been adequate stakeholder vetting, NERC staff and the Standards Committee may account for the process used to vet the document, including the time relevant entities had to comment on the document.

**Ruida Shu - Northeast Power Coordinating Council - 1,2,3,4,5,6,7,8,9,10 - NPCC, Group Name** RSC no Dominion

**Answer**

**Document Name**

**Comment**

Please consider using a term other than “Lesson Learned” as a type of document. If the objective of the “Lesson Learned” document is to convey implementation information, then the type of document could be “implementation information” or “implementation considerations” or “implementation references.” The term “Lesson Learned” is already used in the ERO Event Analysis Process.

Likes 0

Dislikes 0

**Response**

Thank you for your comment. The SPM revisions teams believes that the term “Lessons Learned” is self-explanatory and would not create confusion with the ERO Events Analysis Process. A term like “implementation information” could create confusion with “Implementation Guidance” developed through CMEP processes.

**Shelby Wade - PPL NERC Registered Affiliates - 1,3,5,6 - SERC,RF, Group Name** PPL NERC Registered Affiliates

**Answer**

**Document Name**

**Comment**



Yes, we have the following five (5) comments concerning Section 11 (Process for Approving Supporting Documents):

1. For the types of documents that were struck from Section 11.1 (“Guideline”, “Supplement”, “Training Material”, and “Procedure”), please provide clarification on where these types of documents will now be classified (i.e. as a “Reference” document or through the NERC Compliance Monitoring and Enforcement Program process). As one example, within EOP-011-1, what type of document would “Application Guidelines: Guidelines and Technical Basis” be considered under the proposed revisions? As another example, within BAL-003-1, what type of document would “Attachment A: BAL-003-1 Frequency Response & Frequency Bias Setting Standard Supporting Document” be considered under the proposed revisions?
  - i. If the “Guidelines and Technical Basis” (i.e. “Application Guidelines: Guidelines and Technical Basis and Attachment A: BAL-003-1”) would be considered a part of the NERC Compliance Monitoring and Enforcement Program process as part of the proposed revisions to the SPM, we strongly disagree with the proposed revisions, since that would not provide industry an opportunity to comment and vote on changes to such guidelines.
  - ii. To provide clarity on what is the nature and extent of the proposed changes in Section 11, we request that NERC provide either a complete or illustrative list of “supporting documents,” and show in which “type of document” they are currently categorized, their proposed category, and what SPM or other process will be applicable to them in the future. Specifically, please provide clarity with respect to how changes to Section 11 relate to the documents provided on the NERC website in the Compliance & Enforcement / Compliance Guidance program area and the Compliance Guidance Policy. Please note that the NERC Compliance guidance Policy (Effective November 5, 2015) contains on page 3 a discussion of Section 11 of the SPM.
2. The language describing the “Reference” documents is unclear as to what kind of information would meet this definition. Expounding upon the description and providing examples of documents that would be classified in this category would clarify what is encompassed in “Supporting Documents” subject to the process under Section 11.
3. The Drafting Team Reference Manual (Version 3, October 19, 2016) (DTRM) includes several pages entitled “Parts of the Results-Based Standard” which provides an itemized description of each “part of the results-based NERC Reliability Standard.” *Section F – References* includes “a form or other document to support the implementation of a standard.” Additionally, “Supplemental Material” is also listed as a “Part of the Results-Based Standard” in the DTRM and indicates “Documents that should appear in this section are as follows: Application Guidelines, Guidelines and Technical Basis, Training Material, Reference Material, and/or other Supplemental Material.” Therefore, the proposed revisions to Section 11 of the SPM are not consistent with the DTRM. We suggest that NERC propose modifications to the DTRM consistent with the instant proposal and post both documents concurrently to ensure consistency.
4. The second criteria in the second paragraph of Section 11.2 (Process for Proposing and Evaluating Supporting Documents) requires NERC Staff to judge whether the proposed supporting document is consistent “with the purpose and intent” of the associated Reliability

Standard. Each Reliability Standard has a “Purpose” section, but it is unclear what will be used as a reference to judge “intent” of a Reliability Standard.

5. The last part of the process in Section 11.2 (Process for Proposing and Evaluating Supporting Documents) provides for a submitter to modify the proposed supporting documents after sufficient stakeholder review, in which case NERC Staff “may” post the document for additional comment periods. Since sufficient stakeholder review is the goal, the process should be that modified proposed supporting document also be available for stakeholder comment. As such, we propose the sentence be modified to “...NERC Staff will post the document for additional comment periods...”

Likes 0

Dislikes 0

### Response

Thank you for your comments. The SPM revisions team responds as follows:

1. The documents referenced in Comment 1 are not supporting documents approved under Section 11. Supporting technical documents posted pursuant to Section 11 are distinct from documents or guidelines drafted by standards drafting teams during the standard development process (e.g., the EOP-011-1, Application Guidelines: Guidelines and Technical Basis) or elements of the Reliability Standard (Attachment A of BAL-003-1.1). Section 11 applies only to the posting of certain types of supporting technical documents on the NERC website that explain or facilitate understanding of *approved* Reliability Standards. In other words, the documents being posted support standards that are currently mandatory and enforceable, or will be mandatory and enforceable at a future date. Section 11 does not apply during development of a proposed standard; revisions are proposed in Section 4.4.2 and Section 11 to further clarify this point. During development, a standard drafting team may, at its discretion, develop documents to explain the technical rationale for the proposed standard and post those documents on the standard project page consistent with Standard Committee procedures and policies. On June 13, 2017, the Standard Committee endorsed the [Technical Rationale for Reliability Standards](#) document and its approach for the development of technical rationale documents during standards development. Standard drafting teams may also submit Implementation Guidance for ERO Enterprise endorsement during development.
2. Reference documents could include technical background/rationale documents, such as those prepared to support BAL-002-2 and FAC-003-2.
3. As noted above, Section 11 applies only to the posting of certain types of documents on the NERC website that explain or facilitate understanding of approved Reliability Standards. Section 11 does not purport to specify the parts of a results-based standard.
4. Evaluating the intent of a Reliability Standard would require review of a number of materials. This review could include the record of development, regulatory approval record, any other materials prepared to support the development of the standard, the

standard itself, and any other relevant documents or governmental orders that identify or describe the problem the Reliability Standard was developed to resolve. Depending on the standard and the nature of the proposed supporting document, it may be necessary to employ technical resources to assist in this review.

5. The proposed revisions to Section 11 were designed to provide flexibility for subsequent comment periods depending on the nature of the revisions. For example, more substantive revisions may necessitate a subsequent comment period, whereas *de minimis* revisions, such as revisions to correct errata identified by stakeholders, may not.

**Joseph DePoorter - MGE Energy - Madison Gas and Electric Co. - 4, Group Name MRO NSRF**

Answer

Document Name

Comment

None

Likes 0

Dislikes 0

Response

Thank you.

**Karie Barczak - DTE Energy - Detroit Edison Company - 3, Group Name DTE Energy - DTE Electric**

Answer

Document Name

Comment

No

Likes 0

Dislikes 0

Response

Thank you.

**Sean Bodkin - Dominion - Dominion Resources, Inc. - 6, Group Name Dominion**

**Answer**

**Document Name**

**Comment**

Dominion suggests adding that documents issued by other groups (i.e. Reliability Guidelines issued by the Operating and Planning Committees) that are not related to a specific Standard be included in the exclusionary sentence immediately after the table in section 11.1.

Likes 0

Dislikes 0

**Response**

Thank you. Section 11 provides a process by which certain classes of documents that explain or facilitate understanding of approved Reliability Standards may be posted alongside the approved Reliability Standard on the NERC website.

**James Anderson - CMS Energy - Consumers Energy Company - 1,3,4,5**

**Answer**

**Document Name**

**Comment**

None.

Likes 0

Dislikes 0

**Response**

Thank you.

**Thomas Rafferty - Edison International - Southern California Edison Company - 5**

**Answer**

<b>Document Name</b>	
<b>Comment</b>	
Please refer to comments submitted by Deborah VanDeventer on behalf of Southern California Edison.	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you for your comment .Please see response to Ms. VanDeventer.	
<b>Romel Aquino - Edison International - Southern California Edison Company - 3</b>	
<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
None.	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you.	
<b>Kenya Streeter - Edison International - Southern California Edison Company - 6</b>	
<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
Please refer to comments submitted by Deborah VanDeventer on behalf of Southern California Edison	
Likes 0	
Dislikes 0	

<b>Response</b>	
Thank you for your comment .Please see response to Ms. VanDeventer.	
<b>Lauren Price - American Transmission Company, LLC - 1</b>	
<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
None	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you.	
<b>Douglas Webb - Douglas Webb On Behalf of: Chris Bridges, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; Harold Wyble, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; James McBee, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; Jessica Tucker, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; - Douglas Webb</b>	
<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
None.	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you.	
<b>Shannon Mickens - Southwest Power Pool, Inc. (RTO) - 2 - SPP RE, Group Name SPP Standards Review Group</b>	

<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
We would like to see more clarity on if the Reliability Guidelines (especially the Functional Model) falls under this purview. If so, we recommend that this information be listed in this section of the document.	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you for your comment. Section 11 provides a process by which certain classes of documents that explain or facilitate understanding of approved Reliability Standards may be posted alongside the approved Reliability Standard on the NERC website.	
<b>Jamie Monette - Allete - Minnesota Power, Inc. - 1</b>	
<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
No	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	
<b>Brian Van Gheem - ACES Power Marketing - 6 - NA - Not Applicable, Group Name ACES Standards Collaborators</b>	
<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	

The current approach using the addition of calendar days does not recognized Federal holidays or the possibility of office closures and scheduled vacations. Historically, there has been a push to address commenting periods before the end of the year, and a 30-day commenting period during the months of November and December are burdensome. We concur that a minimum 30-day period is ample time for commenting on an interpretation, with the condition that the commenting period ends on the first business day following a specific calendar date of each month, such as the 15th. For example, a posting for comment on May 1st would therefore end on June 15th.

Likes 0

Dislikes 0

**Response**

Thank you for your comments. Upon further consideration, the SPM revisions team has decided to not to pursue the referenced Interpretation balloting and comment process changes at this time. Interpretations will continue to be balloted in the same manner as Reliability Standards. The SPM revisions team has not identified the need to change how 30-day comment periods are counted at this time.

**Pamela Hunter - Southern Company - Southern Company Services, Inc. - 1,3,5,6 - SERC, Group Name Southern Company**

**Answer**

**Document Name**

**Comment**

No.

Likes 0

Dislikes 0

**Response**

Thank you.



**10. Do you agree that an appellant should be able to withdraw its Level 1 or Level 2 appeal under Section 8 of the SPM by providing written notice to the NERC Director of Standards?**

**Douglas Webb - Douglas Webb On Behalf of: Chris Bridges, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; Harold Wyble, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; James McBee, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; Jessica Tucker, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; - Douglas Webb**

**Answer** Yes

**Document Name**

**Comment**

KCP&L's affirmative position is not without concern.

The Standard drafting appeal option is important to the integrity of the drafting process; it is also a powerful option that allows a single entity to disrupt or delay the drafting process. The company sees the value of withdrawing an appeal in the event the issues on appeal are resolved but also can see the efficiencies and resource optimization sought by the withdrawal provision being unrealized should entities have an easy out and begin to look at leveraging appeals for purposes of disruption and delay.

The proposed Section 8 revision is without limitation and provides that the appellant may withdraw its complaint without explanation and without any specific reason; it only requires the notice is made prior to issuance of the written notice. For Section 8 to fully address the frivolous appeals scenario, the revisions would likely add undesired complexity to the process. To reconcile the view of providing a withdrawal option on resolution of the conditions that gave rise to the appeal with the view of the potential for abuse for the sole purpose of disruption and delay, the company suggests requiring appellants provide in their withdrawal notice what conditions have changed to precipitate the withdrawal. Such a requirement does not seem onerous and provides some level of accountability. Moreover, it is informative when considering future revisions to Section 8 or the Standards drafting process.

Suggested Language:

At any time prior to receiving the written response to the Level 1 Appeal, an appellant may withdraw the Level 1 Appeal with written notice to the Director of Standards. The notice shall identify what conditions have changed since submitting the complaint and have precipitated the appellant's notice of withdrawal.

Likes 0

Dislikes 0

**Response**

Thank you for your comment. An appeal does not act as a stay of the standard development process. At this time, the SPM revisions team has not identified a concern with strategic or bad faith appeals under Section 8 of the SPM that would necessitate requiring additional justification for withdrawing an appeal.

**Aaron Cavanaugh - Bonneville Power Administration - 1,3,5,6 - WECC**

<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
None	
Likes	0
Dislikes	0

**Response**

Thank you.

**Barry Lawson - National Rural Electric Cooperative Association - 3,4**

<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0

**Response**

Thank you.

**Pamela Hunter - Southern Company - Southern Company Services, Inc. - 1,3,5,6 - SERC, Group Name Southern Company**

<b>Answer</b>	Yes
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<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you.	
<b>Brian Van Gheem - ACES Power Marketing - 6 - NA - Not Applicable, Group Name ACES Standards Collaborators</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you.	
<b>Jamie Monette - Allete - Minnesota Power, Inc. - 1</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	

**Response**

Thank you.

**David Ramkalawan - Ontario Power Generation Inc. - 5**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

Thank you.

**Shannon Mickens - Southwest Power Pool, Inc. (RTO) - 2 - SPP RE, Group Name SPP Standards Review Group**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

Thank you.

**Mark Riley - Associated Electric Cooperative, Inc. - 1, Group Name AECI & Member G&Ts**

**Answer** Yes

**Document Name**

<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you.	
<b>Lauren Price - American Transmission Company, LLC - 1</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you.	
<b>Romel Aquino - Edison International - Southern California Edison Company - 3</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	

Thank you.	
<b>David Greyerbiehl - CMS Energy - Consumers Energy Company - 1,3,4,5</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	
<b>Deborah VanDeventer - Edison International - Southern California Edison Company - 1,3,5,6 - WECC</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	
<b>Michael Haff - Seminole Electric Cooperative, Inc. - 1,3,4,5,6 - FRCC</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	

Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	
<b>Chris Gowder - Chris Gowder On Behalf of: Carol Chinn, Florida Municipal Power Agency, 5, 6, 4, 3; David Schumann, Florida Municipal Power Agency, 5, 6, 4, 3; Joe McKinney, Florida Municipal Power Agency, 5, 6, 4, 3; Ken Simmons, Gainesville Regional Utilities, 1, 3, 5; Lynne Mila, City of Clewiston, 4; Randy Hahn, Ocala Utility Services, 3; Richard Montgomery, Florida Municipal Power Agency, 5, 6, 4, 3; Tom Reedy, Florida Municipal Power Pool, 6; - Chris Gowder, Group Name FMPA</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	
<b>Michael Godbout - Hydro-Quebec TransEnergie - 1 - NPCC</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes	0
Dislikes	0

**Response**

Thank you.

**James Anderson - CMS Energy - Consumers Energy Company - 1,3,4,5**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

Thank you.

**Karl Blaszkowski - CMS Energy - Consumers Energy Company - 1,3,4,5**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

Thank you.

**Rachel Coyne - Texas Reliability Entity, Inc. - 10**

**Answer** Yes

**Document Name**



<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you.	
<b>Michelle Amaranantos - APS - Arizona Public Service Co. - 1</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you.	
<b>Sean Bodkin - Dominion - Dominion Resources, Inc. - 6, Group Name Dominion</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	

Thank you.	
<b>Joseph DePoorter - MGE Energy - Madison Gas and Electric Co. - 4, Group Name MRO NSRF</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	
<b>Karie Barczak - DTE Energy - Detroit Edison Company - 3, Group Name DTE Energy - DTE Electric</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	
<b>Shelby Wade - PPL NERC Registered Affiliates - 1,3,5,6 - SERC,RF, Group Name PPL NERC Registered Affiliates</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	

Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you.	
<b>Ruida Shu - Northeast Power Coordinating Council - 1,2,3,4,5,6,7,8,9,10 - NPCC, Group Name RSC no Dominion</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you.	
<b>Steven Rueckert - Western Electricity Coordinating Council - 10</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you.	

**LeRoy Patterson - Public Utility District No. 2 of Grant County, Washington - 6**

<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 2	Public Utility District No. 2 of Grant County, Washington, 5, Ybarra Alex; Public Utility District No. 2 of Grant County, Washington, 4, McMackin Yvonne
Dislikes 0	

**Response**

Thank you.

**Andrew Gallo - Austin Energy - 6**

<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	

**Response**

Thank you.

**David Kiguel - David Kiguel - 8**

<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	

Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	
<b>Kenya Streeter - Edison International - Southern California Edison Company - 6</b>	
<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
Please refer to comments submitted by Deborah VanDeventer on behalf of Southern California Edison	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you. Please refer to response to Ms. VanDeventer.	
<b>Thomas Rafferty - Edison International - Southern California Edison Company - 5</b>	
<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
Please refer to comments submitted by Deborah VanDeventer on behalf of Southern California Edison.	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you. Please refer to response to Ms. VanDeventer.	

**11. Do you have any comments concerning the non-substantive updates to Sections 2.1 and 3.7 of the SPM?**

**John Seelke - LS Power Transmission, LLC - 1**

**Answer**

**Document Name**

**Comment**

No.

Likes 0

Dislikes 0

**Response**

Thank you.

**Andrew Gallo - Austin Energy - 6**

**Answer**

**Document Name**

Revisions to the NERC Standard Processes Manual SP-Appendix\_3A\_StandardsProcessesManual\_clean(3-2-17 - Austin Energy).docx

**Comment**

Please see Austin Energy's comments regarding the proposed revisions (attached).

Likes 0

Dislikes 0

**Response**

Thank you for your comments and suggested revisions. The SPM revisions team has reviewed each of the suggestions and responds as follows:

Section 2.1: The proposed revisions to this section are intended to align the definition of Reliability Standard in the SPM, which is Appendix 3A to the Rules of Procedure, to the approved definition of this term in Appendix 2 to the Rules of Procedure. The Rules of Procedure definition was modified in 2015 as part of the Alignment of Terms project to align more closely with the approved Glossary definition. No substantive edits to this term are being proposed or considered at this time.

Please see revisions to Sections 2.5, 3.7, 4, and 9.1.

Section 6: The SPM revisions team has incorporated a number of the commenter’s suggestions to improve the readability and clarity of this section. The SPM revisions team has declined to capitalize the term “field test” as it has not created a formal defined term.

Section 7: The SPM revisions team has incorporated a number of the commenter’s suggestions to improve the readability and clarity of this section. Section 7.2.1 has been revised to clarify that a “future” standard development project refers to an existing standard development project or one contemplated in a published development plan, such as the annual Reliability Standards Development Plan.

Section 11: The SPM revisions team has incorporated a number of the commenter’s suggestions to improve the readability and clarity of this section. The SPM revisions team has declined to strike language regarding the posting of supporting documents. Section 11 is intended to address only the posting of supporting technical documents to approved Reliability Standards.

**Aaron Cavanaugh – Bonneville Power Administration – 1,3,5,6 – WECC**

**Answer**

**Document Name**

**Comment**

None

Likes 0

Dislikes 0

**Response**

Thank you.

**LeRoy Patterson – Public Utility District No. 2 of Grant County, Washington – 6**

**Answer**

**Document Name**

**Comment**

No

Likes 2

Public Utility District No. 2 of Grant County, Washington, 5, Ybarra Alex; Public Utility District No. 2 of Grant County, Washington, 4, McMackin Yvonne

Dislikes 0

**Response**

Thank you.

**Shelby Wade – PPL NERC Registered Affiliates – 1,3,5,6 – SERC,RF, Group Name PPL NERC Registered Affiliates**

**Answer**

**Document Name**

**Comment**

Yes. Section 2.1 (Definition of a Reliability Standard) should be simplified to reference the NERC Rules of Procedures Section 200 rather than reiterating the Rules of Procedure definition in the SPM, since it may give the appearance that the term is being defined by the SPM. Additionally, this will eliminate the need to update this section of the SPM in the future, eliminate duplication, and remove the possibility of error when replicating the definition in the SPM.

Likes 0

Dislikes 0

**Response**

Thank you for your comment. Section 2.1 refers to the definition provided in Appendix 2 to the Rules of Procedure. The SPM revisions team notes the commenter’s concerns regarding future edits, but believes that including the definition of Reliability Standard in the SPM is useful given the nature and use of the SPM.



**Joseph DePoorter – MGE Energy – Madison Gas and Electric Co. – 4, Group Name MRO NSRF**

**Answer**

**Document Name**

**Comment**

None

Likes 0

Dislikes 0

**Response**

Thank you.

**Karie Barczak – DTE Energy – Detroit Edison Company – 3, Group Name DTE Energy – DTE Electric**

**Answer**

**Document Name**

**Comment**

No

Likes 0

Dislikes 0

**Response**

Thank you.

**James Anderson – CMS Energy – Consumers Energy Company – 1,3,4,5**

**Answer**

**Document Name**

**Comment**

None.

Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	
<b>Michael Haff – Seminole Electric Cooperative, Inc. – 1,3,4,5,6 – FRCC</b>	
Answer	
Document Name	
<b>Comment</b>	
In the definition of “Reliability Standard” in Section 2.1 on page 6 of the redlined version, capital “Facilities” has been revised to lowercase “facilities”. I wanted to discuss whether NERC is doing this purposely so that it may be able to argue that it can expand its reach past the defined term BES Facilities.	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you for your comment. The revisions to this section are intended to align the definition of Reliability Standard in the SPM, which is Appendix 3A to the Rules of Procedure, to the approved definition of this term in Appendix 2 to the Rules of Procedure. The Rules of Procedure definition was modified in 2015 as part of the Alignment of Terms project to align more closely with the approved Glossary definition; the Glossary definition was previously modified to align more closely with the definition provided in Section 215 of the U.S. Federal Power Act. No substantive edits to this term are being proposed at this time.	
<b>Michael Godbout – Hydro-Quebec TransEnergie – 1 – NPCC</b>	
Answer	
Document Name	
<b>Comment</b>	

Governments in different provinces do not necessarily approve standards, etc. By statute or regulation, they endow governmental authorities to do so on their behalf. Also, no authority approves a withdrawn Reliability Standard, it approves the withdrawal of a Reliability Standard. Finally, the structure of the edit “that have recognized... ERO have the authority” could be made clearer.

We suggest the following text:

“A governmental authority has the authority in its jurisdiction, by statute or regulation, to approve and withdraw Reliability Standards, definitions, Variances, VRF, VSL and Interpretations following their adoption, approval or withdrawal by the NERC Board of Trustees. For example, the Federal Energy Regulatory Commission (“FERC”) is the governmental authority in the United States of America.”

Likes 0

Dislikes 0

### Response

Thank you for your comment. The SPM revisions team believes the statement as revised is clear and reflects the appropriate jurisdictional considerations of the various governmental authorities with regard to the approval of Reliability Standards.

**Thomas Rafferty – Edison International – Southern California Edison Company – 5**

Answer

Document Name

### Comment

Please refer to comments submitted by Deborah VanDeventer on behalf of Southern California Edison.

Likes 0

Dislikes 0

### Response

Thank you for your comment. Please see response to Ms. VanDeventer.

**Romel Aquino – Edison International – Southern California Edison Company – 3**

Answer

Document Name

### Comment

None.	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you for your comment. Please see response to Ms. VanDeventer.	
<b>Kenya Streeter – Edison International – Southern California Edison Company – 6</b>	
<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
Please refer to comments submitted by Deborah VanDeventer on behalf of Southern California Edison	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you for your comment. Please see response to Ms. VanDeventer.	
<b>Lauren Price – American Transmission Company, LLC – 1</b>	
<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
None	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you.	

**Deborah VanDeventer – Edison International – Southern California Edison Company – 1,3,5,6 – WECC**

**Answer**

**Document Name**

**Comment**

No comments or concerns for Section 2.1 and 3.7 changes.

Likes 0

Dislikes 0

**Response**

Thank you for your comment.

**Shannon Mickens - Southwest Power Pool, Inc. (RTO) - 2 - SPP RE, Group Name SPP Standards Review Group**

**Answer**

**Document Name**

**Comment**

As for Section 2.1, we recommend that the Guideline Technical Basis (GTB) Section be mentioned in the definition of a Reliability Standard. This is an integral part of the Standard as it explains the drafting team’s intent for developing a particular Requirement.

Likes 0

Dislikes 0

**Response**

Thank you for your comment. The revisions to this section are intended to align the definition of Reliability Standard in the SPM, which is Appendix 3A to the Rules of Procedure, to the approved definition of this term in Appendix 2 to the Rules of Procedure. The Rules of Procedure definition was modified in 2015 as part of the Alignment of Terms project to align more closely with the approved Glossary definition. No substantive edits to this term are being proposed at this time.

**Douglas Webb - Douglas Webb On Behalf of: Chris Bridges, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; Harold Wyble, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; James McBee, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; Jessica Tucker, Great Plains Energy - Kansas City Power and Light Co., 3, 6, 5, 1; - Douglas Webb**

**Answer**

**Document Name**

**Comment**

None.

Likes 0

Dislikes 0

**Response**

Thank you.

**Jamie Monette - Allete - Minnesota Power, Inc. - 1**

**Answer**

**Document Name**

**Comment**

No

Likes 0

Dislikes 0

**Response**

Thank you.

**Brian Van Gheem - ACES Power Marketing - 6 - NA - Not Applicable, Group Name ACES Standards Collaborators**

**Answer**

**Document Name**

**Comment**

(1) The blank pages and orphan citations embedded within the document should be removed. We identify Sections 10.7 (Figure 3) on page 42 and 10.14 (Figure 4) on page 45 as examples.

(2) Unless initiated by a FERC directive or detection of a flawed Reliability Standard that causes reliability-related concerns or is a burden for Industry to implement, we believe a certain time period should pass between standard revisions to allow existing standards time to mature. The current frequency of once every five years from the effective date of the Reliability Standard or the date of Board adoption does not account for the transition of many standards with scalable implementation periods. Furthermore, we believe a risk-based approach should be used to select standards for revision. This would then focus standard development projects on retiring requirements that are identified as low risk of occurrence and as low risk to the reliable operations and planning of the Bulk Electric System and its Cyber Systems.

(3) We thank you for this opportunity to provide these comments.

Likes 0

Dislikes 0

**Response**

Thank you for your comments. Section 10 has been revised accordingly. The SPM revisions team has determined that revising Section 13 to alter the timing of periodic reviews is outside the scope of this project, but observes that the periodic review requirements contained therein were developed to be consistent with ANSI requirements for such reviews.

**Pamela Hunter - Southern Company - Southern Company Services, Inc. - 1,3,5,6 - SERC, Group Name Southern Company**

**Answer**

**Document Name**

**Comment**

No.

Likes 0

Dislikes 0

**Response**

Thank you.

## LS Power Transmission, LLC comments re: proposed Section 7.0 changes

Submitted By John Seelke

**Summary:** While the posted Section 7 redline makes certain administrative changes which are generally agreeable to LS Power Transmission, LLC (LSPT), LSPT comments below are aimed at improving the scope and process for Interpretation requests.

- LSPT proposes broadening the scope of Interpretations requests to include not only the Requirements of a Reliability Standard but also its other two mandatory and enforceable components – “applicability” and “effective dates.” The changes require a modification to the NERC Rules of Procedure Appendix 2 definition of “Interpretation” and a new definition for “Implementation Plan” that would replace the undefined term “effective dates.”
- LSPT also proposes clear timetables that would require Interpretation requests to be processed timely and transparently. One valid Interpretation request has languished for seven (7) years without action after being accepted and remains unresolved.

In addition, since an Interpretation may be rejected if the clarification being sought was addressed in “the record” of the standard, language is proposed to better define a standard’s record. Finally, paragraph #8 has two Word document attachments – one for the Appendix 2 definitions and a second that is a redline of the posted Section 7 “clean” version.

1. The language in Section 7 only addresses clarification of the Requirements of a Reliability Standard. It does not address other two mandatory and enforceable components of a standard discussed in the last paragraph of Section 2.5: Elements of a Reliability Standard – *applicability and effective dates*. (As discussed separately in paragraph #7 below, LSPT recommends that “effective dates” in Section 2.5 be replaced with a newly defined term “Implementation Plan.”)

When vagueness regarding either the applicability of a standard or its Implementation Plan creates a need for clarification, there is no mechanism in the Standard Process Manual (SPM) for obtaining clarification. Except in its compliance role with specific entities, neither NERC nor the Regions have authority to “interpret” (lower case is intentional) the “applicability” or “Implementation Plan” associated with a standard. By changing the scope of Section 7 to include applicability and Implementation Plans, an avenue for clarifying **all** mandatory and enforceable components of a standard will be provided in the SPM.

The suggested changes would not be effective the definition of “Interpretation” in Appendix 2, which is presently limited to just Requirement, is broadened as follows.



“Interpretation” means an addendum to a Reliability Standard, developed in accordance with the NERC *Standard Processes Manual* and approved by the Applicable Governmental Authority(ies), that provides additional clarity about one or more **Requirements** **mandatory and enforceable components of** the Reliability Standard.

2. With the change to “Interpretation” above, changes in Section 7 (several locations) would replace “Requirement” with “a Reliability Standard’s mandatory and enforceable components.”
3. Section 7.1 refers to “any attachment referenced in a Requirement.” LSPT recommends this be changed to “any *document* referenced in a *component of a Reliability Standard*.” The change from “attachment” to “document” was primarily done to accommodate an Implementation Plan that references other Implementation Plans but which are not literally attached. Likewise, the applicability section or a standard might reference a document, whether attached or not.
4. Since per the fourth bullet in Section 7.2.1: Rejection of an Interpretation Request, a request may be rejected “if the issue has already been addressed in the record, what constitutes “the record” of a standard needs to be better articulated. LSPT suggests that this language be added after “the record:”

“..., where the record includes all posted responses to stakeholder comments during the development of the Reliability Standard, all NERC and Regional filings to Applicable Governmental Authorities related to the standard with (e.g., related to the standard’s approval or related to non-compliance with a standard), and any orders issued by such Applicable Governmental Authorities related to the standard.”

Why expansion of “the record” is needed: The development record, while meaningful, is not the complete record. A standard’s related filings by NERC or Regions to Applicable Government Authorities as well as a standard’s related orders by Applicable Government Authorities all contribute to a standard’s record at the time an Interpretation request is submitted.

5. In Section 7.2.2, the language should clarify whether the formation of an Interpretation drafting team requires the approval of its members by the Standards Committee. Such approval *is* required for standard drafting team members per Section 4.3. LSPT recommends that the Standards Committee appoint Interpretation drafting team members using the same Section 4.3 approach to appoint members. This could be accomplished by striking “shall authorize NERC Reliability Standards Staff to assemble” and adding new italicized language to existing language: “the Standards Committee, *using the same process in Section 4.3 for forming a Reliability Standard drafting team, shall appoint members to an Interpretation drafting team with the relevant expertise to address the request.*”
6. Except for the “10 business days” referenced in Section 7.2.1, there are no timetables for action in Section 7. Without such timetables, Interpretation requests may continue to languish for years without action. The following timetables are recommended:

- In Section 7.2 LSPT recommends that once an Interpretation request is submitted to NERC, NERC staff shall respond to the submitting entity within 30 calendar days as to whether NERC Staff will recommend acceptance or rejection of the request to the Standards Committee, and if rejection is recommended, state the reasons for such rejection recommendation. If rejection is recommended, the submitting entity may elect to withdraw its request within 15 calendar days. Absent a timely withdrawal, the Standards Committee shall act to either accept or reject the Interpretation request no later than its next scheduled meeting.
- In Section 7.2.2, at the end of the first sentence, add “..., concluding such appointments within 45 calendar days of the request’s acceptance.”

7. Define “Implementation Plan” in Appendix 2 and make “effective dates” replacements in Section 2.5

The undefined term “implementation plan” is referenced in 43 times in the SPM. It is also referenced in most standards in the “Effective Dates” section. Yet it is not a defined term, nor is it included as an Element of a Reliability Standard. LSPT recommends “Implementation Plan” be defined in Appendix 2 (Definitions) of the Rules of Procedure. The proposed definition of “Implementation Plan” utilizes the bullets in Section 4.3.3: Implementation Plan with three modifications discussed below:

- First bullet: “The proposed effective date and, if appropriate, the percentage of applicable Facilities, Elements, etc., for which entities shall be compliant for each Requirement.” The added “percentage” language addresses phased implementation.
- New bullet: add “The proposed effective date of the Reliability Standard.” This is needed for Section 13.0: Process for Conducting Periodic Reviews of Reliability Standards.
- Last bullet: Delete this bullet in its entirety because it is addressed in the “Requirement” section in Section 2.5. Duplication within the Implementation Plan could introduce errors. A comparison of the current language is provided below:

**Section 4.4.3 last bullet:**

“The Functional Entities that will be required to comply with one or more Requirements in the proposed Reliability Standard.”

**“Requirement” section in Section 2.5:**

**Requirement:** An explicit statement that identifies the Functional Entity responsible, the action or outcome that must be achieved, any conditions achieving the action or outcome, and the reliability-related benefit of the action or outcome. Each Requirement shall be a statement for which compliance is mandatory.

**With the changes above, the proposed “Implementation Plan” definition for Appendix 2 is:**

“Implementation Plan” means a document for an associated Reliability Standard that includes the following minimum requirements:

- The proposed effective date of the Reliability Standard.
- The proposed effective date and, if appropriate, the percentage of applicable Facilities, Elements, etc., for which entities shall be compliant for each Requirement.
- Identification of any new or modified definitions that are proposed for approval with the associated Reliability Standard.
- Whether there are any prerequisite actions that need to be accomplished before entities are held responsible for compliance with one or more of the Requirements.
- Whether approval of the proposed Reliability Standard will necessitate any conforming changes to any already approved Reliability Standards, including the identification of those Reliability Standards and Requirements.

With a new “Implementation Plan” definition, Section 4.4.3 can be shortened to the following:

#### **4.4.3: Implementation Plan**

As a drafting team drafts its proposed revisions to a Reliability Standard, that team is also required to develop an Implementation Plan to identify any factors for consideration when approving the proposed effective date or dates for the associated Reliability Standard or Standards. A single Implementation Plan may be used for more than one Reliability Standard. The implementation plan is posted with the associated Reliability Standard or Standards during the 45 calendar day formal comment period and is balloted with the associated Reliability Standard.

In addition, the following changes should be made to Section 2.5:

- Section 2.5 – change the “Effective Dates” section language to “See Implementation Plan.”
- Last paragraph in Section 2.5 – change “the (3) effective dates” to “(3) Implementation Plan.”

#### **8. Attachments**

Consistent with the comments above, the two proposed Appendix 2 definitions (one modified definition - “Interpretation”; and one new definition– “Implementation Plan”) and a redline of Section 7.0 of the SPM are attached as Word documents.

## LS Power Transmission, LLC comments re: proposed Section 7.0 changes

**Summary:** While the posted Section 7 redline makes certain administrative changes which are generally agreeable to LS Power Transmission, LLC (LSPT), LSPT comments below are aimed at improving the scope and process for Interpretation requests.

- LSPT proposes broadening the scope of Interpretations requests to include not only the Requirements of a Reliability Standard but also its other two mandatory and enforceable components – “applicability” and “effective dates.” The changes require a modification to the NERC Rules of Procedure Appendix 2 definition of “Interpretation” and a new definition for “Implementation Plan” that would replace the undefined term “effective dates.”
- LSPT also proposes clear timetables that would require Interpretation requests to be processed timely and transparently. One valid Interpretation request has languished for seven (7) years without action after being accepted and remains unresolved.

In addition, since an Interpretation may be rejected if the clarification being sought was addressed in “the record” of the standard, language is proposed to better define a standard’s record. Finally, paragraph #8 has two Word document attachments – one for the Appendix 2 definitions and a second that is a redline of the posted Section 7 “clean” version.

1. The language in Section 7 only addresses clarification of the Requirements of a Reliability Standard. It does not address other two mandatory and enforceable components of a standard discussed in the last paragraph of Section 2.5: Elements of a Reliability Standard – *applicability and effective dates*. (As discussed separately in paragraph #7 below, LSPT recommends that “effective dates” in Section 2.5 be replaced with a newly defined term “Implementation Plan.”)

When vagueness regarding either the applicability of a standard or its Implementation Plan creates a need for clarification, there is no mechanism in the Standard Process Manual (SPM) for obtaining clarification. Except in its compliance role with specific entities, neither NERC nor the Regions have authority to “interpret” (lower case is intentional) the “applicability” or “Implementation Plan” associated with a standard. By changing the scope of Section 7 to include applicability and Implementation Plans, an avenue for clarifying **all** mandatory and enforceable components of a standard will be provided in the SPM.

The suggested changes would not be effective the definition of “Interpretation” in Appendix 2, which is presently limited to just Requirement, is broadened as follows.

“Interpretation” means an addendum to a Reliability Standard, developed in accordance with the NERC *Standard Processes Manual* and approved by the Applicable Governmental Authority(ies), that provides additional clarity about one or more ~~Requirements in~~ mandatory and enforceable components of the Reliability Standard.

2. With the change to “Interpretation” above, changes in Section 7 (several locations) would replace “Requirement” with “a Reliability Standard’s mandatory and enforceable components.”
3. Section 7.1 refers to “any attachment referenced in a Requirement.” LSPT recommends this be changed to “any *document* referenced in a *component of a Reliability Standard.*” The change from “attachment” to “document” was primarily done to accommodate an Implementation Plan that references other Implementation Plans but which are not literally attached. Likewise, the applicability section of a standard might reference a document, whether attached or not.
4. Since per the fourth bullet in Section 7.2.1: Rejection of an Interpretation Request, a request may be rejected “if the issue has already been addressed in the record, what constitutes “the record” of a standard needs to be better articulated. LSPT suggests that this language be added after “the record:”

“..., where the record includes all posted responses to stakeholder comments during the development of the Reliability Standard, all NERC and Regional filings to Applicable Governmental Authorities related to the standard with (e.g., related to the standard’s approval or related to non-compliance with a standard), and any orders issued by such Applicable Governmental Authorities related to the standard.”

Why expansion of “the record” is needed: The development record, while meaningful, is not the complete record. A standard’s related filings by NERC or Regions to Applicable Government Authorities as well as a standard’s related orders by Applicable Government Authorities all contribute to a standard’s record at the time an Interpretation request is submitted.

5. In Section 7.2.2, the language should clarify whether the formation of an Interpretation drafting team requires the approval of its members by the Standards Committee. Such approval *is* required for standard drafting team members per Section 4.3. LSPT recommends that the Standards Committee appoint Interpretation drafting team members using the same Section 4.3 approach to appoint members. This could be accomplished by striking “shall authorize NERC Reliability Standards Staff to assemble” and adding new italicized language to existing language: “the Standards Committee, *using the same process in Section 4.3 for forming a Reliability Standard drafting team, shall appoint members to an Interpretation drafting team with the relevant expertise to address the request.*”
6. Except for the “10 business days” referenced in Section 7.2.1, there are no timetables for action in Section 7. Without such timetables, Interpretation requests may continue to languish for years without action. The following timetables are recommended:
  - In Section 7.2 LSPT recommends that once an Interpretation request is submitted to NERC, NERC staff shall respond to the submitting entity within 30 calendar days as to whether NERC Staff will recommend acceptance or rejection of the request to the Standards Committee, and if rejection is recommended,

state the reasons for such rejection recommendation. If rejection is recommended, the submitting entity may elect to withdraw its request within 15 calendar days. Absent a timely withdrawal, the Standards Committee shall act to either accept or reject the Interpretation request no later than its next scheduled meeting.

- In Section 7.2.2, at the end of the first sentence, add “..., concluding such appointments within 45 calendar days of the request’s acceptance.”

7. Define “Implementation Plan” in Appendix 2 and make “effective dates” replacements in Section 2.5

The undefined term “implementation plan” is referenced in 43 times in the SPM. It is also referenced in most standards in the “Effective Dates” section. Yet it is not a defined term, nor is it included as an Element of a Reliability Standard. LSPT recommends “Implementation Plan” be defined in Appendix 2 (Definitions) of the Rules of Procedure. The proposed definition of “Implementation Plan” utilizes the bullets in Section 4.3.3: Implementation Plan with three modifications discussed below:

- First bullet: “The proposed effective date and, if appropriate, the percentage of applicable Facilities, Elements, etc., for which entities shall be compliant for each Requirement.” The added “percentage” language addresses phased implementation.
- New bullet: add “The proposed effective date of the Reliability Standard.” This is needed for Section 13.0: Process for Conducting Periodic Reviews of Reliability Standards.
- Last bullet: Delete this bullet in its entirety because it is addressed in the “Requirement” section in Section 2.5. Duplication within the Implementation Plan could introduce errors. A comparison of the current language is provided below:

**Section 4.4.3 last bullet:**

“The Functional Entities that will be required to comply with one or more Requirements in the proposed Reliability Standard.”

**“Requirement” section in Section 2.5:**

**Requirement:** An explicit statement that identifies the Functional Entity responsible, the action or outcome that must be achieved, any conditions achieving the action or outcome, and the reliability-related benefit of the action or outcome. Each Requirement shall be a statement for which compliance is mandatory.

**With the changes above, the proposed “Implementation Plan” definition for Appendix 2 is:**

“Implementation Plan” means a document for an associated Reliability Standard that includes the following minimum requirements:

- The proposed effective date of the Reliability Standard.

- The proposed effective date and, if appropriate, the percentage of applicable Facilities, Elements, etc., for which entities shall be compliant for each Requirement.
- Identification of any new or modified definitions that are proposed for approval with the associated Reliability Standard.
- Whether there are any prerequisite actions that need to be accomplished before entities are held responsible for compliance with one or more of the Requirements.
- Whether approval of the proposed Reliability Standard will necessitate any conforming changes to any already approved Reliability Standards, including the identification of those Reliability Standards and Requirements.

With a new “Implementation Plan” definition, Section 4.4.3 can be shortened to the following:

#### **4.4.3: Implementation Plan**

As a drafting team drafts its proposed revisions to a Reliability Standard, that team is also required to develop an Implementation Plan to identify any factors for consideration when approving the proposed effective date or dates for the associated Reliability Standard or Standards. A single Implementation Plan may be used for more than one Reliability Standard. The implementation plan is posted with the associated Reliability Standard or Standards during the 45 calendar day formal comment period and is balloted with the associated Reliability Standard.

In addition, the following changes should be made to Section 2.5:

- Section 2.5 – change the “Effective Dates” section language to “See Implementation Plan.”
- Last paragraph in Section 2.5 – change “the (3) effective dates” to “(3) Implementation Plan.”

#### **8. Attachments**

Consistent with the comments above, the two proposed Appendix 2 definitions (one modified definition - “Interpretation”; and one new definition– “Implementation Plan”) and a redline of Section 7.0 of the SPM are attached as Word documents.



LSPT Appendix 2  
definitions.docx



LSPT redline Section  
7 from Appendix 3A

## LS Power Transmission, LLC's Proposed Changes to Appendix 2 Definitions

### Redline of "Interpretation"

"Interpretation" means an addendum to a Reliability Standard, developed in accordance with the NERC Standard Processes Manual and approved by the Applicable Governmental Authority(ies), that provides additional clarity about one or more ~~Requirements in~~ mandatory and enforceable components of the Reliability Standard

### New Definition of "Implementation Plan"

"Implementation Plan" means a document for an associated Reliability Standard that includes the following minimum requirements:

- The proposed effective date of the Reliability Standard.
- The proposed effective date and, if appropriate, the percentage of applicable Facilities, Elements, etc., for which entities shall be compliant for each Requirement.
- Identification of any new or modified definitions that are proposed for approval with the associated Reliability Standard.
- Whether there are any prerequisite actions that need to be accomplished before entities are held responsible for compliance with one or more of the Requirements.
- Whether approval of the proposed Reliability Standard will necessitate any conforming changes to any already approved Reliability Standards, including the identification of those Reliability Standards and Requirements.



## Section 7.0: Process for Developing an Interpretation

A valid Interpretation request is one that requests additional clarity about one or more of the mandatory and enforceable components of approved NERC Reliability Standards listed in Section 2.5: Elements of a Reliability Standard (i.e., the applicability, Requirements, and Implementation Plan). ~~but does not~~ However, a valid Interpretation request may not request approval as to how to comply with one or more Requirements. A valid Interpretation response provides additional clarity about one or more of a Reliability Standard's mandatory and enforceable components ~~Requirements~~, but does not expand on any Requirement and does not explain how to comply with any Requirement. Any entity that is directly and materially affected by the reliability of the North American Bulk Power Systems may request an Interpretation of any Requirement component in any continent-wide Reliability Standard that has been adopted by the NERC Board of Trustees. Interpretations will only be provided for Board of Trustees- approved Reliability Standards *i.e.* (i) the current effective version of a Reliability Standard; or (ii) a version of a Reliability Standard with a future effective date.

### 7.1: Valid Interpretation

An Interpretation may only clarify the language of the mandatory or enforceable component the Requirement(s) of an approved Reliability Standard, including, if applicable, any attachment document referenced in the a Requirement component of a Reliability Standard. The Interpretation may not alter the scope or the language of a Requirement component or referenced attachment document. No other elements of an approved Reliability Standard are subject to an Interpretation.

### 7.2: Process for Requesting an Interpretation

The entity requesting the Interpretation shall submit a *Request for Interpretation* form<sup>25</sup> to the NERC Reliability Standards Staff explaining the clarification required, the specific circumstances surrounding the request, and the impact of not having the Interpretation provided. NERC Reliability Standards and Legal Staff shall review the request for Interpretation to determine whether it meets the requirements for a valid Interpretation. Based on this review, NERC Staff shall respond to the submitting entity within 30 calendar days as to whether the NERC Staff will recommend acceptance or rejection of the request to the Standards Committee, and if rejection is recommended, state the reasons for such rejection recommendation. If rejection is recommended, the submitting entity may elect to withdraw its request within 15 calendar days. Absent a timely withdrawal, the Standards Committee shall act to either accept or reject the Interpretation request no later than its next scheduled meeting. ~~make a recommendation to the Standards Committee whether to accept the request for Interpretation and move forward in responding to the Interpretation request.~~

#### 7.2.1: Rejection of an Interpretation Request

A request for Interpretation may be rejected in the following circumstances:

- Where the request seeks approval of a particular compliance approach.<sup>26</sup>
- Where the issue can be addressed by incorporating the issue into an existing or future standard development project.
- Where the request seeks clarification of any element of a Reliability Standard other than a Requirement's mandatory and enforceable components.
- Where the issue has already been addressed in the record, where the record includes all posted responses to stakeholder comments during the development of the Reliability Standard, all NERC and Regional filings to Applicable Governmental Authorities related to the standard with (e.g., related to the standard's approval or related to non-compliance with a standard), and any orders issued by such Applicable Governmental Authorities related to the standard.

## Process for Developing an Interpretation

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- Where the request identifies an issue and proposes the development of a new or modified Reliability Standard (such issues should be addressed via submission of a SAR).
- Where the request seeks to expand the scope of a Reliability Standard.
- Where the meaning of a Reliability Standard is plain on its face.

If the Standards Committee rejects the Interpretation request, it shall provide a written explanation for the rejection to the entity requesting the Interpretation within 10 business days of the decision to reject.

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<sup>25</sup> The *Request for Interpretation* form is posted on the NERC Standards web page.

<sup>26</sup> Requests that contain specific compliance approaches, or examples of compliance, are not candidates for Interpretations and should be pursued through the applicable NERC Compliance Monitoring and Enforcement Program processes.

### 7.2.2: Acceptance of an Interpretation Request

If the Standards Committee accepts the Interpretation request, the Standards Committee shall at the same time the request is accepted, authorize

NERC Reliability Standards Staff to ~~assemble~~ appoint members to an Interpretation drafting team with the relevant expertise to address the request, concluding such appointments within 45 calendar days of the request's acceptance. Such member appointments [do not] require the Standards Committee's prior approval. However, no person affiliated with the submitting entity may be a member of the Interpretation drafting team.

### 7.3: Development of an Interpretation

As soon as practical, the Interpretation drafting team shall develop a draft Interpretation addressing the request, consistent with Section 7.1--: Valid Interpretations shall be developed in accordance with the following process:

- NERC Reliability Standards staff shall review the draft Interpretation to determine whether it has met the requirements for a valid Interpretation and to provide a recommendation to the Standards Committee whether to authorize posting or remand to the Interpretation drafting team for further work.
- The Standards Committee, after review of the Staff recommendation, may authorize posting of the draft Interpretation for comment and ballot.
- Interpretations shall be balloted in the same manner as Reliability Standards (*see* Section 4.0), with the following exceptions:
  - Interpretations shall be posted for a 30-day informal comment period. The Interpretation drafting team is not required to respond in writing to comments submitted during this comment period.
  - The NERC Reliability Standards Staff shall establish a ballot pool during the first 20 days of the 30-day informal comment period.
  - The ballot window shall take place during the last 10 calendar days of the 30-day informal comment period.
  - Final Ballots shall not be conducted for Interpretations. An Interpretation shall be deemed approved by the ballot pool following the first ballot in which the necessary quorum and sufficient affirmative votes are obtained.

If the ballot results indicate that there is not a consensus for the Interpretation, and the Interpretation drafting team cannot revise the Interpretation without violating the basic criteria for what constitutes a valid Interpretation (see Section 7.1), the Interpretation drafting team shall notify the Standards Committee of its conclusion and may submit a SAR with the proposed modification to the Reliability Standard. The entity that requested the Interpretation shall be notified in writing and the disposition of the Interpretation shall be posted.

If, during its deliberations, the Interpretation drafting team identifies a reliability-related deficiency in the Reliability Standard that is highlighted by the Interpretation request, the Interpretation drafting team shall notify the Standards Committee of its conclusion and may submit a SAR with its recommendation at the same time it provides its proposed Interpretation.

If approved by the ballot pool, NERC Staff shall review the final Interpretation to determine whether it has met the requirements for a valid Interpretation and shall make a recommendation to the NERC Board of Trustees regarding adoption.

If an Interpretation drafting team recommends a modification to a Reliability Standard as part of its work in Standard Processes Manual

## Process for Developing an Interpretation

developing an Interpretation, the Board of Trustees shall be notified of this recommendation at the time the Interpretation is submitted for adoption. Following Board of Trustees adoption, the Interpretation shall

## Process for Developing an Interpretation

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be filed with the Applicable Governmental Authorities, and the Interpretation shall become effective when approved by those Applicable Governmental Authorities.<sup>27</sup> The Interpretation shall stand until the Interpretation can be incorporated into a future revision of the Reliability Standard or the Interpretation is retired due to a future modification of the applicable Requirement.

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<sup>27</sup> NERC will maintain a record of all interpretations associated with each standard on the Reliability Standards page of the NERC website.

The logo for NERC, consisting of the letters "NERC" in a bold, black, sans-serif font. A horizontal blue bar is positioned below the letters.

NORTH AMERICAN ELECTRIC  
RELIABILITY CORPORATION

# Standard Processes Manual

VERSION 4

Effective: TBD

to ensure  
the reliability of the  
bulk power system

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## Section 1.0: Introduction

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### 1.1: Authority

This manual 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 manual with Applicable Governmental Authorities for approval as an ERO document. When approved, the manual is appended to and provides implementation detail in support of the ERO Rules of Procedure Section 300 — Reliability Standards Development.

Capitalized terms not otherwise defined herein, shall have the meaning set forth in the Definitions Used in the Rules of Procedure, Appendix 2 to the Rules of Procedure.

### 1.2: Scope

The policies and procedures in this manual shall govern the activities of the North American Electric Reliability Corporation ("NERC") related to the development, approval, revision, reaffirmation, and withdrawal of Reliability Standards, Interpretations, Violation Risk Factors ("VRFs"), Violation Severity Levels ("VSLs"), definitions, Variances, and reference documents developed to support standards for the Reliable Operation and planning of the North American Bulk Power Systems.

This manual also addresses the role of the Standards Committee, drafting team and ballot body in the development and approval of Compliance Elements in conjunction with standard development.

### 1.3: Background

NERC is a nonprofit corporation formed for the purpose of becoming the North American ERO. NERC works with all stakeholder segments of the electric industry, including electricity users, to develop Reliability Standards for the reliability planning and Reliable Operation of the North American Bulk Power Systems. 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 Reliability 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 ERO effective July 2006. *North American Electric Reliability Corp.*, 116 FERC ¶ 61,062, *order on reh'g and compliance*, 117 FERC ¶ 61,126 (2006), *order on compliance*, 118 FERC ¶ 61,030 (2007).

### 1.4: Essential Attributes of NERC's Reliability Standards Processes

NERC's Reliability Standards development processes provide reasonable notice and opportunity for public comment, due process, openness, and balance of interests in developing a proposed Reliability Standard consistent with the attributes necessary for American National Standards Institute ("ANSI") accreditation. The same attributes, as well as transparency, consensus-building, and timeliness, are also required under the ERO Rules of Procedure Section 304.

- **Open Participation**

Participation in NERC's Reliability Standards development balloting and approval processes shall be open to all entities materially affected by NERC's Reliability Standards. There shall be no financial barriers to participation in NERC's Reliability Standards balloting and approval processes. Membership in the Registered Ballot Body shall not be conditional upon membership in any organization, nor unreasonably restricted on the basis of technical qualifications or other such requirements.



## Introduction

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□ ***Balance***

NERC's Reliability Standards development processes shall not be dominated by any two interest categories, individuals, or organizations and no single interest category, individual, or organization is able to defeat a matter.

NERC shall use a voting formula that allocates each industry Segment an equal weight in determining the final outcome of any Reliability Standard action. The Reliability Standards development processes shall have a balance of interests. Participants from diverse interest categories shall be encouraged to join the Registered Ballot Body and participate in the balloting process, with a goal of achieving balance between the interest categories. The Registered Ballot Body serves as the consensus body voting to approve each new or proposed Reliability Standard, definition, Variance, and Interpretation.

□ ***Coordination and harmonization with other American National Standards activities***

NERC is committed to resolving any potential conflicts between its Reliability Standards development efforts and existing American National Standards and candidate American National Standards.

□ ***Notification of standards development***

NERC shall publicly distribute a notice to each member of the Registered Ballot Body, and to each stakeholder who indicates a desire to receive such notices, for each action to create, revise, reaffirm, or withdraw a Reliability Standard, definition, or Variance; and for each proposed Interpretation. Notices shall be distributed electronically, with links to the relevant information, and notices shall be posted on NERC's Reliability Standards web page. All notices shall identify a readily available source for further information.

□ ***Transparency***

The process shall be transparent to the public.

□ ***Consideration of views and objections***

Drafting teams shall give prompt consideration to the written views and objections of all participants as set forth herein. Drafting teams shall make an effort to resolve each objection that is related to the topic under review.

□ ***Consensus Building***

The process shall build and document consensus for each Reliability Standard, both with regard to the need and justification for the Reliability Standard and the content of the Reliability Standard.

□ ***Consensus vote***

NERC shall use its voting process to determine if there is sufficient consensus to approve a proposed Reliability Standard, definition, Variance, or Interpretation. NERC shall form a ballot pool for each Reliability Standard action from interested members of its Registered Ballot Body. Approval of any Reliability Standard action requires:

- A quorum, which is established by at least 75% of the members of the ballot pool submitting a response excluding unreturned ballots; and
- A two-thirds majority of the weighted Segment votes cast shall be affirmative. The number of votes cast during all stages of balloting except the final ballot is the sum of affirmative and negative votes with comments, excluding abstentions, non-responses, and negative votes without comments. During the final ballot, the number of votes cast is the sum of affirmative and negative votes, excluding abstentions and non-responses.

## Introduction

- ***Timeliness***  
Development of Reliability Standards shall be timely and responsive to new and changing priorities for reliability of the Bulk Power System.
  
- ***Metric Policy***  
The International System of units is the preferred units of measurement in NERC Reliability Standard. However, because NERC's Reliability Standards apply in Canada, the United States and portions of Mexico, where applicable, measures are provided in both the metric and English units.

### **1.5: Ethical Participation**

All participants in the NERC Standard development process, including drafting teams, quality reviewers, Standards Committee members and members of the Registered Ballot Body, are obligated to act in an ethical manner in the exercise of all activities conducted pursuant to the terms and conditions of the Standard Processes Manual and the standard development process.

## Section 2.0: Elements of a Reliability Standard

### 2.1: Definition of a Reliability Standard

A Reliability Standard includes a set of Requirements that define specific obligations of owners, operators, and users of the North American Bulk Power Systems. The Requirements shall be material to reliability and measurable. A Reliability Standard is defined as follows:

“Reliability Standard” means a requirement, approved by the United States Federal Energy Regulatory Commission (FERC) under Section 215 of the Federal Power Act, or approved or recognized by an applicable governmental authority in other jurisdictions, to provide for Reliable Operation of the Bulk Power System. The term includes requirements for ~~the operation of existing Bulk Power System facilities, including cybersecurity protection,~~ and the design of planned additions or modifications to such facilities to the extent necessary for Reliable Operation of the Bulk Power System, ~~but~~ ~~the~~ term does not include any requirement to enlarge such facilities or ~~to~~ construct new transmission capacity or generation capacity. (In certain contexts, ~~this~~ term may ~~also~~ refer to a “Reliability Standard” ~~that is~~ in the process of being developed, or not yet approved or recognized by FERC or an applicable governmental authority in other jurisdictions). See Appendix 2 to the NERC Rules of Procedure, Definitions Used in the Rules of Procedure.

**Commented [AG1]:** This is redundant. There is no reason to call out cybersecurity.

### 2.2: Reliability Principles

NERC Reliability Standards are based on certain reliability principles that define the foundation of reliability for North American Bulk Power Systems.<sup>1</sup> Each Reliability Standard shall enable or support one or more of the reliability principles, thereby ensuring that each Reliability 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 Reliability Standard undermines reliability through an unintended consequence.

### 2.3: Market 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.<sup>2</sup> 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.

### 2.4: Types of Reliability Requirements

Generally, each Requirement of a Reliability Standard shall identify what Functional Entities shall do, and under what conditions, to achieve a specific reliability objective. Although Reliability Standards all follow this format, several types of Requirements may exist, each with a different approach to measurement.

- **Performance-based Requirements** define a specific reliability objective or outcome achieved by one or more entities that has a direct, observable effect on the reliability of the Bulk Power System, *i.e.* an effect that can be measured using power system data or trends. In its simplest form, a performance-based requirement has four components: *who*,

<sup>1</sup> The intent of the set of NERC Reliability Standards is to deliver an adequate level of reliability. The latest set of reliability principles and the latest set of characteristics associated with an adequate level of reliability are posted on the Reliability Standards Resources web page.

<sup>2</sup> The latest set of market interface principles is posted on the Reliability Standards Resources web page.

## Elements of a Reliability Standard

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*under what conditions (if any), shall perform what action, to achieve what particular result or outcome.*

- **Risk-based Requirements** define actions by one or more entities that reduce a stated risk to the reliability of the Bulk Power System and can be measured by evaluating a particular product or outcome resulting from the required actions. A risk-based reliability requirement should be framed as: *who, under what conditions (if any), shall perform what action, to achieve what particular result or outcome that reduces a stated risk to the reliability of the Bulk Power System.*
  
- **Capability-based Requirements** define capabilities needed by one or more entities to perform reliability functions and can be measured by demonstrating that the capability exists as required. A capability-based reliability requirement should be framed as: *who, under what conditions (if any), shall have what capability, to achieve what particular result or outcome to perform an action to achieve a result or outcome or to reduce a risk to the reliability of the Bulk Power System.*

The body of reliability Requirements collectively provides a defense-in-depth strategy supporting reliability of the Bulk Power System.

### 2.5: Elements of a Reliability Standard

A Reliability Standard includes several components designed to work collectively to identify what entities must do to meet their reliability-related obligations as an owner, operator or user of the Bulk Power System.

The components of a Reliability Standard may include the following:

**Title:** A brief, descriptive phrase identifying the topic of the Reliability Standard.

**Number:** A unique identification number assigned in accordance with a published classification system to facilitate tracking and reference to the Reliability Standards.<sup>3</sup>

**Purpose:** The reliability outcome achieved through compliance with the Requirements of the Reliability Standard.

**Applicability:** Identifies which entities are assigned reliability requirements. The specific Functional Entities and Facilities to which the Reliability Standard applies.

**Effective Dates:** Identification of the date or pre-conditions determining when each Requirement becomes effective in each jurisdiction.

**Requirement:** An explicit statement that identifies the Functional Entity responsible, the action or outcome that must be achieved, any conditions achieving the action or outcome, and the reliability-related benefit of the action or outcome. Each Requirement shall be a statement for which compliance is mandatory.

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<sup>3</sup> Reliability Standards shall be numbered in accordance with the NERC Standards Numbering Convention as provide on the Reliability Standards Resources web page.

## Elements of a Reliability Standard

**Compliance Elements:** Elements to aid in the administration of ERO compliance monitoring and enforcement responsibilities.<sup>4</sup>

- **Measure:** Provides identification of the evidence or types of evidence that may demonstrate compliance with the associated requirement.
- **Violation Risk Factors and Violation Severity Levels:** Violation risk factors (VRFs) and violation severity levels (VSLs) are used as factors when determining the size of a penalty or sanction associated with the violation of a requirement in an approved reliability standard.<sup>5</sup> Each requirement in each reliability standard has an associated VRF and a set of VSLs. VRFs and VSLs are developed by the drafting team, working with NERC Staff, at the same time as the associated reliability standard, but are not part of the reliability standard. The Board of Trustees is responsible for approving VRFs and VSLs.
  - **Violation Risk Factors**  
VRFs identify the potential reliability significance of noncompliance with each requirement. Each requirement is assigned a VRF in accordance with the latest approved set of VRF criteria.<sup>6</sup>
  - **Violation Severity Levels**  
VSLs define the degree to which compliance with a requirement was not achieved. Each requirement shall have at least one VSL. While it is preferable to have four VSLs for each requirement, some requirements do not have multiple “degrees” of noncompliant performance and may have only one, two, or three VSLs. Each requirement is assigned one or more VSLs in accordance with the latest approved set of VSL criteria.<sup>7</sup>

**Version History:** The version history is provided for informational purposes and lists information regarding prior versions of Reliability Standards.

**Variance:** A Requirement (to be applied in the place of the continent-wide Requirement) that is applicable to a specific geographic area or to a specific set of Registered Entities.

**Compliance Enforcement Authority:** The entity that is responsible for assessing performance or outcomes to determine if an entity is compliant with the associated Reliability Standard. The Compliance Enforcement Authority will be NERC or the Regional Entity in their respective roles of monitoring and enforcing compliance with the NERC Reliability Standards.

**Application guidelines:** Guidelines to support the implementation of the associated Reliability Standard.

**Procedures:** Procedures to support implementation of the associated Reliability Standard.

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<sup>4</sup> It is the responsibility of the ERO staff to develop compliance tools for each standard; these tools are not part of the standard but are referenced in this manual because the preferred approach to developing these tools is to use a transparent process that leverages the technical and practical expertise of the drafting team and ballot pool.

<sup>5</sup> The *Sanction Guidelines of the North American Electric Reliability Corporation* identifies the factors used to determine a penalty or sanction for violation of reliability standard and is posted on the NERC Web Site.

<sup>6</sup> The latest set of approved VRF Criteria is posted on the Reliability Standards Resources Web Page.

<sup>7</sup> The latest set of approved VSL Criteria is posted on the Reliability Standards Resources Web Page.

## Elements of a Reliability Standard

The only mandatory and enforceable components of a Reliability Standard are the: (1) applicability, (2) Requirements, and ~~the~~ (3) effective dates. ~~The~~ ~~Additional~~ components are ~~included in the Reliability Standard~~ for informational purposes, to establish the relevant scope and technical paradigm, and to provide guidance to Functional Entities concerning how the Compliance Enforcement Authority will assess compliance ~~will be assessed by the Compliance Enforcement Authority~~.

## Section 3.0: Reliability Standards Program Organization

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### 3.1: Board of Trustees

The NERC Board of Trustees shall consider for adoption Reliability Standards, definitions, Variances and Interpretations and associated implementation plans that have been processed according to the processes identified in this manual. Once the Board adopts a Reliability Standard, definition, Variance or Interpretation, the Board shall direct NERC Staff to file the document(s) for approval with Applicable Governmental Authorities.

### 3.2: Registered Ballot Body

The Registered Ballot Body comprises all entities or individuals that qualify for one of the Segments approved by the Board of Trustees<sup>8</sup>, and are registered with NERC as potential ballot participants in the voting on Reliability Standards. Each member of the Registered Ballot Body is eligible to join the ballot pool for each Reliability Standard action.

### 3.3: Ballot Pool

Each Reliability 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 request to participate in that particular Reliability Standard action. The ballot pool votes on each Reliability Standards action. The ballot pool remains in place until all balloting related to that Reliability Standard action has been completed.

### 3.4: Standards Committee

The Standards Committee serves at the pleasure and direction of the NERC Board of Trustees, and the Board approves the Standards Committee's Charter.<sup>9</sup> Standards Committee members are elected by their respective Segment's stakeholders. The Standards Committee consists of two members of each of the Segments in the Registered Ballot Body.<sup>10</sup> A member of the NERC Reliability Standards Staff shall serve as the non-voting secretary to the Standards Committee.

The Standards Committee is responsible for managing the Reliability Standards processes for development of Reliability Standards, definitions, Variances and Interpretations in accordance with this manual. The responsibilities of the Standards Committee are defined in detail in the Standards Committee's Charter. The Standards Committee is responsible for ensuring that the Reliability Standards, definitions, Variances and Interpretations developed by drafting teams are developed in accordance with the processes in this manual and meet NERC's benchmarks for Reliability Standards as well as criteria for governmental approval.<sup>11</sup>

The Standards Committee has the right to remand work to a drafting team, to reject the work of a drafting team, or to accept the work of a drafting team. The Standards Committee may disband a drafting team if it determines (a) that the drafting team is not producing a standard in a timely manner; (b) the drafting team

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<sup>8</sup> The industry Segment qualifications are described in the Development of the Registered Ballot Body and Segment Qualification Guidelines document posted on the Reliability Standards Resources web page and are included in Appendix 3D of the NERC Rules of Procedure.

<sup>9</sup> The Standards Committee Charter is posted on the Reliability Standards Resources web page.

<sup>10</sup> In addition to balanced 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.

<sup>11</sup> The Ten Benchmarks of an Excellent Reliability Standard and FERC's Criteria for Approving Reliability Standards are posted on the Reliability Standards Resources web page.

## Reliability Standards Program Organization

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is not able to produce a standard that will achieve industry consensus; (c) the drafting team has not addressed the scope of the SAR; or (d) the drafting team has failed to fully address a regulatory directive or otherwise provided a responsive or equally efficient and effective alternative. The Standards Committee may direct a drafting team to revise its work to follow the processes in this manual or to meet the criteria for NERC's benchmarks for Reliability Standards, or to meet the criteria for governmental approval; however, the Standards Committee shall not direct a drafting team to change the technical content of a draft Reliability Standard.

The Standards Committee shall meet at regularly scheduled intervals (either in person, or by other means). All Standards Committee meetings are open to all interested parties.

### 3.5: NERC Reliability Standards Staff

The NERC Reliability Standards Staff, led by the Director of Standards, is responsible for administering NERC's Reliability Standards processes in accordance with this manual. The NERC Reliability Standards Staff provides support to the Standards Committee in managing the Reliability Standards processes and in supporting the work of all drafting teams. The NERC Reliability Standards Staff works to ensure the integrity of the Reliability Standards processes and consistency of quality and completeness of the Reliability Standards. The NERC Reliability Standards Staff facilitates all steps in the development of Reliability Standards, definitions, Variances, Interpretations and associated implementation plans.

The NERC Reliability Standards Staff is responsible for presenting Reliability Standards, definitions, Variances, and Interpretations to the NERC Board of Trustees for adoption. When presenting Reliability Standards-related documents to the NERC Board of Trustees for adoption or approval, the NERC Reliability Standards Staff shall report the results of the associated stakeholder ballot, including identification of unresolved stakeholder objections and an assessment of the document's practicality and enforceability.

### 3.6: Drafting Teams

The Standards Committee shall appoint industry experts to drafting teams to work with stakeholders in developing and refining Standard Authorization Requests ("SARs"), Reliability Standards, definitions, and Variances. The NERC Reliability Standards Staff shall appoint drafting teams that develop Interpretations. The NERC Reliability Standards Staff shall provide, or solicit from the industry, essential support for each of the drafting teams in the form of technical writers, legal, compliance, and rigorous and highly trained project management and facilitation support personnel.

Each drafting team may consist of a group of technical, legal, and compliance experts that work cooperatively with the support of the NERC Reliability Standards Staff.<sup>12</sup> The technical experts provide the subject matter expertise and guide the development of the technical aspects of the Reliability Standard, assisted by technical writers, legal and compliance experts. The technical experts maintain authority over the technical details of the Reliability Standard. Each drafting team appointed to develop a Reliability Standard is responsible for following the processes identified in this manual as well as procedures developed by the Standards Committee from the inception of the assigned project through the final acceptance of that project by Applicable Governmental Authorities.

Collectively, each drafting team:

- Drafts proposed language for the Reliability Standards, definitions, Variances, and/or Interpretations and associated implementation plans.

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<sup>12</sup> The detailed responsibilities of drafting teams are outlined in the Drafting Team Guidelines, which is posted on the Reliability Standards Resources web page.



## Reliability Standards Program Organization

- Develops and refines technical documents that aid in the understanding of Reliability Standards.
- Works collaboratively with NERC Compliance Monitoring and Enforcement Staff to develop Reliability Standard Audit Worksheets (“RSAWs”) at the same time Reliability Standards are developed.
- Provides assistance to NERC Staff in the development of Compliance Elements of proposed Reliability Standards.
- Solicits, considers, and responds to comments related to the specific Reliability Standards development project.
- Participates in industry forums to help build consensus on the draft Reliability Standards, definitions, Variances, and/or Interpretations and associated implementation plans.
- Assists in developing the documentation used to obtain governmental approval of the Reliability Standards, definitions, Variances, and/or Interpretations and associated implementation plans.

All drafting teams report to the Standards Committee.

### 3.7: Governmental Authorities

The ~~Federal Energy Regulatory Commission (“FERC”)~~ in the United States of America; and, where permissible by statute or regulation, the federal or provincial governments of other North American jurisdictions ~~that have recognized~~ NERC as the ERO have the authority to approve each new, revised or withdrawn Reliability Standard, definition, Variance, VRF, VSL and Interpretation following adoption or approval by the NERC Board of Trustees.

### 3.8: Committees, Subcommittees, Working Groups, and Task Forces

NERC’s technical committees, subcommittees, working groups, and task forces provide technical research and analysis used to justify the development of new Reliability Standards and provide guidance, when requested by the Standards Committee, in overseeing field tests or collection and analysis of data. The technical committees, subcommittees, working groups, and task forces provide feedback to drafting teams during both informal and formal comment periods.

The Standards Committee may request that a NERC technical committee or other group prepare a Technical document to support development of a proposed Reliability Standard.

The technical committees, subcommittees, working groups, and task forces share their observations regarding the need for new or modified Reliability Standards or Requirements with the NERC Reliability Standards Staff for use in identifying the need for new Reliability Standards projects for the three-year *Reliability Standards Development Plan*.

### 3.9: Compliance and Certification Committee

The Compliance and Certification Committee is responsible for monitoring NERC’s compliance with its Reliability Standards processes and procedures and for monitoring NERC’s compliance with the Rules of Procedure regarding the development of new or revised Reliability Standards, definitions, Variances, and Interpretations. The Compliance and Certification Committee may assist in verifying that each proposed Reliability Standard is enforceable as written before the Reliability Standard is posted for formal stakeholder comment and balloting.

## Reliability Standards Program Organization

### **3.10: Compliance Monitoring and Enforcement Program**

As applicable, the NERC Compliance Monitoring and Enforcement Program Staff manages and enforces compliance with approved Reliability Standards. Compliance Monitoring and Enforcement Staff are responsible for the development of select compliance tools. The drafting team and the Compliance Monitoring and Enforcement Program Staff shall work together during the Reliability Standard development process to ensure an accurate and consistent understanding of the Requirements and their intent, and to ensure that applicable compliance tools accurately reflect that intent. The goal of this collaboration is to ensure that application of the Reliability Standards in the Compliance Monitoring and Enforcement Program by NERC and the Regional Entities is consistent.

The Compliance Monitoring and Enforcement Program is encouraged to share its observations regarding the need for new or modified Requirements with the NERC Reliability Standards Staff for use in identifying the need for new Reliability Standards projects.

### **3.11: North American Energy Standards Board (“NAESB”)**

While NERC has responsibility for developing Reliability Standards to support reliability, NAESB has responsibility for developing business practices and coordination between reliability and business practices as needed. NERC and NAESB developed and approved a procedure<sup>13</sup> to guide the development of Reliability Standards and business practices where the reliability and business practice components are intricately entwined within a proposed Reliability Standard.

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<sup>13</sup> The NERC NAESB Template Procedure for Joint Standards Development and Coordination is posted on the Reliability Standards Resources web page.

## Section 4.0: Process for Developing, Modifying, Withdrawing or Retiring a Reliability Standard

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There are several steps to the development, modification, withdrawal or retirement of a Reliability Standard.<sup>14</sup>

The development of the *Reliability Standards Development Plan* is the appropriate forum for reaching agreement on whether there is a need for a Reliability Standard and the scope of a proposed Reliability Standard. A typical process for a project identified in the *Reliability Standards Development Plan* that involves a revision to an existing Reliability Standard is shown below. Note that most projects do not include a field test.

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<sup>14</sup> The process described is also applicable to projects used to propose a new or modified definition or Variance or to propose retirement of a definition or Variance.

Process for Developing, Modifying, Withdrawing or Retiring a Reliability Standard

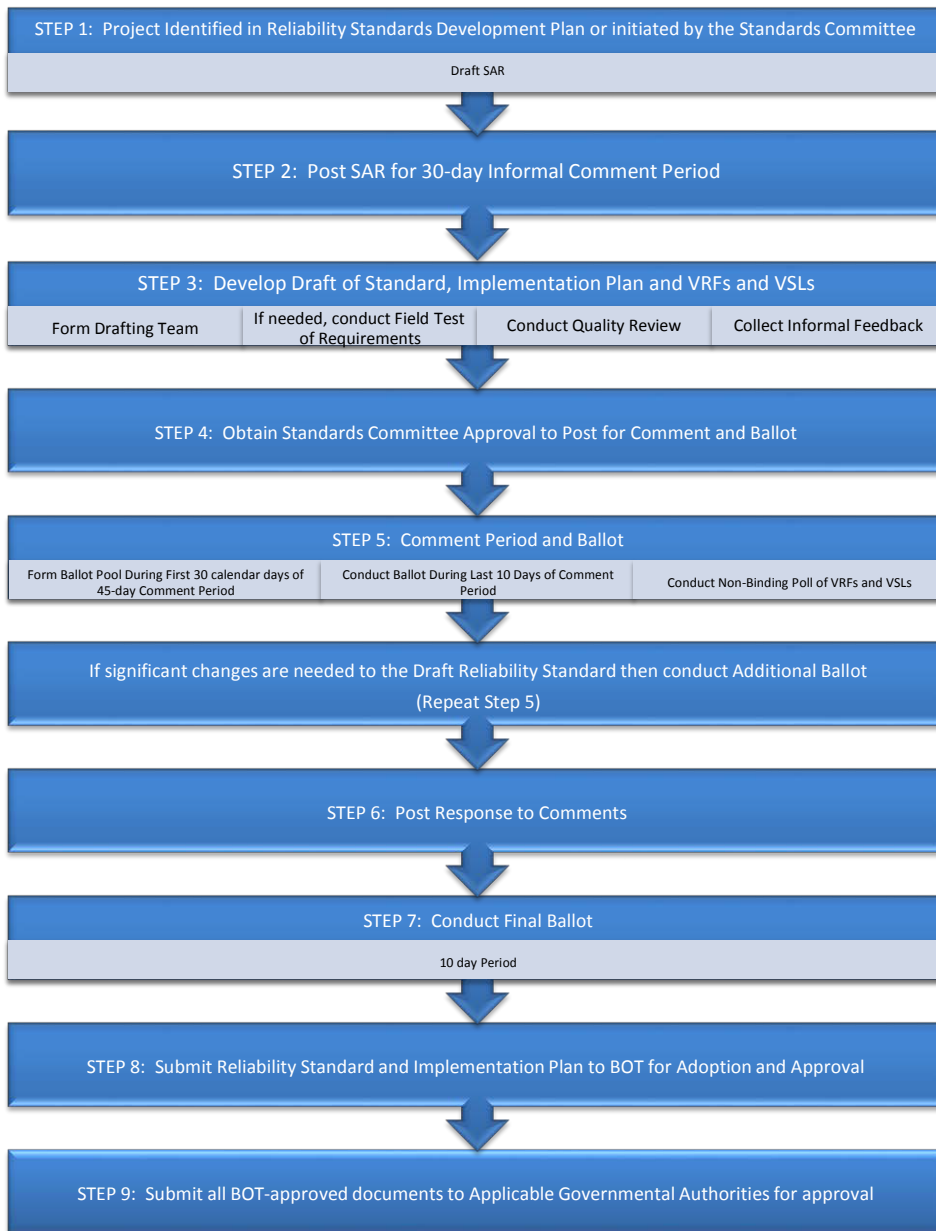


FIGURE 1: Process for Developing or Modifying a Reliability Standard

## Process for Developing, Modifying, Withdrawing or Retiring a Reliability Standard

### 4.1: Posting and Collecting Information on SARs

#### Standard Authorization Request

A Standard Authorization Request (“SAR”) is the form used to document the scope and reliability benefit of a proposed project for one or more new or modified Reliability Standards or definitions or the benefit of retiring one or more approved Reliability Standards. Any entity or individual, including NERC committees or subgroups and NERC Staff, may propose the development of a new or modified Reliability Standard, or may propose the retirement of a Reliability Standard (in whole or in part), by submitting a completed SAR<sup>15</sup> to the NERC Reliability Standards Staff. The Standards Committee has the authority to approve the posting of all SARs for projects that propose (i) developing a new or modified Reliability Standard or definition or (ii) propose retirement of an existing Reliability Standard (or elements thereof).

The NERC Reliability Standards Staff sponsors an open solicitation period each year seeking ideas for new Reliability Standards projects (using *Reliability Standards Suggestions and Comments forms*). The open solicitation period is held in conjunction with the annual revision to the *Reliability Standards Development Plan*. While the Standards Committee prefers that ideas for new projects be submitted during this annual solicitation period through submittal of a *Reliability Standards Suggestions and Comments Form*,<sup>16</sup> a SAR proposing a specific project may be submitted to the NERC Reliability Standards Staff at any time.

Each SAR that proposes a “new” or substantially revised Reliability Standard or definition should be accompanied by a technical justification that includes, as a minimum, a discussion of the reliability-related benefits and costs of developing the new Reliability Standard or definition, and a technical foundation document (e.g., research paper) to guide the development of the Reliability Standard or definition. The technical document should address the engineering, planning and operational basis for the proposed Reliability Standard or definition, as well as any alternative approaches considered during SAR development.

The NERC Reliability Standards Staff shall review each SAR and work with the submitter to verify that all required information has been provided. All properly completed SARs shall be submitted to the Standards Committee for action at the next regularly scheduled Standards Committee meeting.

When presented with a SAR, the Standards Committee shall determine if the SAR is sufficiently complete to guide Reliability Standard development and whether the SAR is consistent with this manual. The Standards Committee shall take one of the following actions:

- Accept the SAR.
- Remand the SAR back to the requestor or to NERC Reliability Standards Staff for additional work.
- Reject the SAR. The Standards Committee may reject a SAR for good cause. If the Standards Committee rejects a SAR, it shall provide a written explanation for rejection to the sponsor within ten days of the rejection decision.
- Delay action on the SAR pending one of the following: (i) development of a technical justification for the proposed project; or (ii) consultation with another NERC Committee to determine if there is another approach to addressing the issue raised in the SAR.

If the Standards Committee is presented with a SAR ~~that proposes to developing~~ a new Reliability Standard or definition ~~which~~ but does not have a technical justification ~~for upon which~~ the Reliability Standard ~~or definition can be developed~~, the Standards Committee shall direct the NERC Reliability Standards Staff to post the

<sup>15</sup> The SAR form can be downloaded from the Reliability Standards Resources web page.

<sup>16</sup> The *Reliability Standards Suggestions and Comments Form* can be downloaded from the Reliability Standards Resources web page.

## Process for Developing, Modifying, Withdrawing or Retiring a Reliability Standard

SAR for a 30-day comment period solely to collect stakeholder feedback on the ~~scope of~~ technical foundation, if any, ~~needed~~ to support the proposed Reliability Standard project. If a technical foundation is ~~determined to be~~ necessary, the Standards Committee shall solicit assistance from NERC's technical committees or other industry experts to provide that foundation before authorizing development of the associated Reliability Standard or definition.

During the SAR comment process, the drafting team may become aware of potential regional Variances related to the proposed Reliability 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 shall be made a part of the draft new or revised Reliability Standard.

If the Standards Committee accepts a SAR, the project shall be added to the list of approved projects. The Standards Committee shall assign a priority to the project, relative to all other projects under development, and those projects already identified in the *Reliability Standards Development Plan* that are already approved for development.

The Standards Committee shall work with the NERC Reliability Standards Staff to coordinate the posting of SARs for new projects, giving consideration to each project's priority.

### 4.2: SAR Posting

When the Standards Committee determines it is ready to initiate a new project, the Standards Committee shall direct NERC Staff to post the project's SAR in accordance with the following:

- For SARs that are limited to addressing regulatory directives, or revisions to Reliability Standards that have had some vetting in the industry, authorize posting the SAR for a 30-day informal comment period with no requirement to provide a formal response to the comments received.
- For SARs that address the development of new projects or Reliability Standards, authorize posting the SAR for a 30-day formal comment period.

If a SAR for a new Reliability Standard is posted for a formal comment period, the Standards Committee shall appoint a drafting team to work with the NERC Staff coordinator to give prompt consideration of the written views and objections of all participants. The Standards Committee may use a public nomination process to populate the Reliability Standard drafting team, or may use another method that results in a team that collectively has the necessary technical expertise and work process skills to meet the objectives of the project. In some situations, an *ad hoc* team may already be in place with the requisite expertise, competencies, and diversity of views that are necessary to refine the SAR and develop the Reliability Standard, and additional members may not be needed. The drafting team shall address all comments submitted, which may be in the form of a summary response addressing each of the issues raised in comments received, during the public posting period. 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. If the drafting team concludes that there is not sufficient stakeholder support to continue to refine the SAR, the team may recommend that the Standards Committee direct curtailment of work on the SAR.

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. The Standards Committee shall notify the sponsor in writing of the rejection within 10 calendar days.

If stakeholders indicate support for the project proposed with the SAR, the drafting team shall present its work to the Standards Committee with a request that the Standards Committee authorize development of the associated Reliability Standard.

## Process for Developing, Modifying, Withdrawing or Retiring a Reliability Standard

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

- Authorize drafting the proposed Reliability Standard or revisions to a Reliability Standard.
- Reject the SAR with a written explanation to the sponsor and post that explanation.

### **4.3: Form Drafting Team**

When the Standards Committee is ready to have a drafting team begin work on developing a new or revised Reliability Standard, the Standards Committee shall appoint a drafting team, if one was not already appointed to develop the SAR. If the Standards Committee appointed a drafting team to refine the SAR, the same drafting team shall work to develop the associated Reliability Standard.

If no drafting team is in place, then the Standards Committee may use a public nomination process to populate the Reliability Standard drafting team, or may use another method that results in a team that collectively has the necessary technical expertise, diversity of views and work process skills to accomplish the objectives of the project on a timely basis. In some situations, an ad hoc team may already be in place with the requisite expertise, competencies, and diversity of views that are necessary to develop the Reliability Standard, and additional members may not be needed.

The NERC Reliability Standards Staff shall provide one or more members as needed to support the team with facilitation, project management, compliance, legal, regulatory and technical writing expertise and shall provide administrative support to the team, guiding the team through the steps in completing its project. In developing the Reliability Standard, the individuals provided by the NERC Reliability Standards Staff serve as advisors to the drafting team and do not have voting rights but share accountability along with the drafting team members assigned by the Standards Committee for timely delivery of a final draft Reliability Standard that meets the quality attributes identified in NERC's Benchmarks for Excellent Standards. The drafting team members assigned by the Standards Committee shall have final authority over the technical details of the Reliability Standard, while the technical writer shall provide assistance to the drafting team in assuring that the final draft of the Reliability Standard meets the quality attributes identified in NERC's Benchmarks for Excellent Standards.

Once it is appointed by the Standards Committee, the Reliability Standard drafting team is responsible for making recommendations to the Standards Committee regarding the remaining steps in the Reliability Standards process. Consistent with the need to provide for timely standards development, the Standards Committee may decide a project is so large that it should be subdivided and either assigned to more than one drafting team or assigned to a single drafting team with clear direction on completing the project in specified phases. The normally expected timeframes for standards development within the context of this manual are applicable to individual standards and not to projects containing multiple standards. Alternatively, a single drafting team may address the entire project with a commensurate increase in the expected duration of the development work. If a SAR is subdivided and assigned to more than one drafting team, each drafting team will have a clearly defined portion of the work such that there are no overlaps and no gaps in the work to be accomplished.

The Standards Committee may supplement the membership of a Reliability Standard drafting team or provide for additional advisors, as appropriate, to ensure the necessary competencies and diversity of views are maintained throughout the Reliability Standard development effort.

### **4.4: Develop Preliminary Draft of Reliability Standard, Implementation Plan and VRFs and VSLs**

#### **4.4.1: Project Schedule**

## Process for Developing, Modifying, Withdrawing or Retiring a Reliability Standard

When a drafting team begins its work, either in refining a SAR or in developing or revising a proposed Reliability Standard, the drafting team shall develop a project schedule which shall be approved by the Standards Committee. The drafting team shall report progress to the Standards Committee, against the initial project schedule and any revised schedule as requested by the Standards Committee. Where project milestones cannot be completed on a timely basis, modifications to the project schedule must be presented to the Standards Committee for consideration along with proposed steps to minimize unplanned project delays.

### **4.4.2: Draft Reliability Standard**

The team shall develop a Reliability Standard that is within the scope of the associated SAR that includes all required elements as described earlier in this manual with a goal of meeting the quality attributes identified in NERC's Benchmarks for Excellent Standards and criteria for governmental approval. The team shall document its justification for the Requirements in its proposed Reliability Standard by explaining how each meets these criteria. The standard drafting team shall document its justification for selecting each reference by explaining how each Requirement fits the category chosen.

### **4.4.3: Implementation Plan**

As a drafting team drafts its proposed revisions to a Reliability Standard, that team is also required to develop an implementation plan to identify any factors for consideration when approving the proposed effective date or dates for the associated Reliability Standard or Standards. As a minimum, the implementation plan shall include the following:

- The proposed effective date (the date entities shall be compliant) for the Requirements.
- Identification of any new or modified definitions that are proposed for approval with the associated Reliability Standard.
- Whether there are any prerequisite actions that need to be accomplished before entities are held responsible for compliance with one or more of the Requirements.
- Whether approval of the proposed Reliability Standard will necessitate any conforming changes to any already approved Reliability Standards – and identification of those Reliability Standards and Requirements.
- The Functional Entities that will be required to comply with one or more Requirements in the proposed Reliability Standard.

A single implementation plan may be used for more than one Reliability Standard. The implementation plan is posted with the associated Reliability Standard or Standards during the 45 (calendar) day formal comment period and is balloted with the associated Reliability Standard.

### **4.4.4: Violation Risk Factors and Violation Severity Levels**

The drafting team shall work with NERC Staff in developing a set of VRFs and VSLs that meet the latest criteria established by NERC and Applicable Governmental Authorities. The drafting team shall document its justification for selecting each VRF and for setting each set of proposed VSLs by explaining how its proposed VRFs and VSLs meet these criteria. NERC Staff is responsible for ensuring that the VRFs and VSLs proposed for stakeholder review meet these criteria.

Before the drafting team has finalized its Reliability Standard, implementation plan, and VRFs and VSLs, the team should seek stakeholder feedback on its preliminary draft documents.



## Process for Developing, Modifying, Withdrawing or Retiring a Reliability Standard

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### **4.5: Informal Feedback<sup>17</sup>**

Drafting teams may use a variety of methods to collect informal stakeholder feedback on preliminary drafts of its documents, including the use of informal comment periods,<sup>18</sup> webinars, industry meetings, workshops, or other mechanisms. Information gathered from informal comment forms shall be publicly posted. While drafting teams are not required to provide a written response to each individual comment received, drafting teams are encouraged, where possible, to post a summary response that identifies how it used comments submitted by stakeholders. Drafting teams are encouraged, where possible, to reach out directly to individual stakeholders in order to facilitate resolution of identified stakeholder concerns. The intent is to gather stakeholder feedback on a “working document” before the document reaches the point where it is considered the “final draft.”

### **4.6: Conduct Quality Review**

The NERC Reliability Standards Staff shall coordinate a quality review of the Reliability Standard, implementation plan, and VRFs and VSLs in parallel with the development of the Reliability Standard and implementation plan, to assess whether the documents are within the scope of the associated SAR, whether the Reliability Standard is clear and enforceable as written, and whether the Reliability Standard meets the criteria specified in NERC’s Benchmarks for Excellent Standards and criteria for governmental approval of Reliability Standards. The drafting team shall consider the results of the quality review, decide upon appropriate changes, and recommend to the Standards Committee whether the documents are ready for formal posting and balloting.

The Standards Committee shall authorize posting the proposed Reliability Standard, and implementation plan for a formal comment period and ballot and the VRFs and VSLs for a non-binding poll as soon as the work flow will accommodate.

If the Standards Committee finds that any of the documents do not meet the specified criteria, the Standards Committee shall remand the documents to the drafting team for additional work.

If the Reliability Standard is outside the scope of the associated SAR, the drafting team shall be directed to either revise the Reliability Standard so that it is within the approved scope, or submit a request to expand the scope of the approved SAR. If the Reliability Standard is not clear and enforceable as written, or if the Reliability Standard does not meet the specified criteria, the Reliability Standard shall be returned to the drafting team by the Standards Committee with specific identification of any Requirement that is deemed to be unclear or unenforceable as written.

### **4.7: Conduct Formal Comment Period and Ballot**

Proposed new or modified Reliability Standards require a formal comment period where the new or modified Reliability Standard, implementation plan and associated VRFs and VSLs or the proposal to retire a Reliability Standard, implementation plan and associated VRFs and VSLs are posted.

The formal comment period shall be at least 45-days long. Formation of the ballot pool and Ballot of the Reliability Standard take place during this formal 45-day comment period. The ~~intent of the~~ formal comment period(s) is to solicit ~~very~~-specific feedback on the final draft of the Reliability Standard, implementation plan and VRFs and VSLs.

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<sup>17</sup> While this discussion focuses on collecting stakeholder feedback on proposed Reliability Standards and implementation plans, the same process is used to collect stakeholder feedback on proposed new or modified Interpretations, definitions and Variances.

<sup>18</sup> The term “informal comment period” refers to a comment period conducted outside of the ballot process and where there is no requirement for a drafting team to respond in writing to submitted comments.

## Process for Developing, Modifying, Withdrawing or Retiring a Reliability Standard

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Comments in written form may be submitted on a draft Reliability Standard by any interested stakeholder, including NERC Staff, FERC Staff, and other interested governmental authorities. If stakeholders disagree with some aspect of the proposed set of products, comments provided should explain the reasons for such disagreement and, where possible, suggest specific language that would make the product acceptable to the stakeholder.

### **4.8: Form Ballot Pool**

The NERC Reliability Standards Staff shall establish a ballot pool during the first 30 calendar days of the 45-day formal comment period. The NERC Reliability Standards Staff shall post the proposed Reliability Standard, along with its implementation plan, VRFs and VSLs and shall send a notice to every entity in the Registered Ballot Body to provide notice that there is a new or revised Reliability Standard proposed for approval and to solicit participants for the associated ballot pool. All members of the Registered Ballot Body are eligible to join each ballot pool to vote on a new or revised Reliability Standard and its implementation plan and to participate in the non-binding poll of the associated VRFs and VSLs.

Any member of the Registered Ballot Body may join or withdraw from the ballot pool until the ballot window opens. No Registered Ballot Body member may join or withdraw from the ballot pool once the first ballot starts through the point in time where balloting for that Reliability Standard action has ended. The Director of Standards may authorize deviations from this rule for extraordinary circumstances such as the death, retirement, or disability of a ballot pool member that would prevent an entity that had a member in the ballot pool from eligibility to cast a vote during the ballot window. Any approved deviation shall be documented and noted to the Standards Committee.

### **4.9: Conduct Ballot and Non-binding Poll of VRFs and VSLs<sup>19</sup>**

The NERC Reliability Standards Staff shall announce the opening of the Ballot window and the non-binding poll of VRFs and VSLs. The Ballot window and non-binding poll of VRFs and VSLs shall take place during the last 10 calendar days of the 45-day formal comment period and for the Final Ballot shall be no less than 10 calendar days. If the last day of the ballot window falls on a Saturday or Sunday, the period does not end until the next business day.<sup>20</sup>

The ballot and non-binding poll shall be conducted electronically. The voting window shall be for a period of 10 calendar days but shall be extended, if needed, until a quorum is achieved. During a ballot window, NERC shall not sponsor or facilitate public discussion of the Reliability Standard action under ballot.

There is no requirement to conduct a new non-binding poll of the revised VRFs and VSLs if no changes were made to the associated standard, however if the requirements are modified and conforming changes are made to the associated VRFs and VSLs, another non-binding poll of the revised VRFs and VSLs shall be conducted.

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<sup>19</sup> While RSAWs are not part of the Reliability Standard, they are developed through collaboration of the SDT and NERC Compliance Staff. A non-binding poll, similar to what is done for VRFs and VSLs may be conducted for the RSAW developed through this process to gauge industry support for the companion RSAW to be provided for informational purposes to the NERC Board of Trustees.

<sup>20</sup> Closing dates may be extended as deemed appropriate by NERC Staff.

## Process for Developing, Modifying, Withdrawing or Retiring a Reliability Standard

### 4.10: Criteria for Ballot Pool Approval

Ballot pool approval of a Reliability Standard requires:

A quorum, which is established by at least 75% of the members of the ballot pool submitting a response; and

A two-thirds majority of the weighted Segment votes cast shall be affirmative. The number of votes cast is the sum of affirmative votes and negative votes with comments. This calculation of votes for the purpose of determining consensus excludes (i) abstentions, (ii) non-responses, and (iii) negative votes without comments.

The following process<sup>21</sup> is used to determine if there are sufficient affirmative votes.

- For each Segment with ten or more voters, the following process shall be used: The number of affirmative votes cast shall be divided by the sum of affirmative and negative votes with comments cast to determine the fractional affirmative vote for that Segment. Abstentions, non-responses, and negative votes without comments shall not be counted for the purposes of determining the fractional affirmative vote for a Segment.
- For each Segment with less than ten voters, the vote weight of that Segment shall be proportionally reduced. Each voter within that Segment voting affirmative or negative with comments shall receive a weight of 10% of the Segment vote.
- The sum of the fractional affirmative votes from all Segments divided by the number of Segments voting<sup>22</sup> shall be used to determine if a two-thirds majority has been achieved. (A Segment shall be considered as “voting” if any member of the Segment in the ballot pool casts either an affirmative vote or a negative vote with comments.)
- A Reliability Standard shall be approved if the sum of fractional affirmative votes from all Segments divided by the number of voting Segments is at least two thirds.

### 4.11: Voting Positions

Each member of the ballot pool may **only** vote one of the following positions on the Ballot and Additional Ballot(s):

- Affirmative;
- Affirmative, with comment;
- Negative with comments;
- Abstain.

Given that there is no formal comment period concurrent with the Final Ballot, each member of the ballot pool may **only** vote one of the following positions on the Final Ballot:

- Affirmative;
- Negative;<sup>23</sup>
- Abstain.

<sup>21</sup> Examples of weighted segment voting calculation are posted on the Reliability Standards Resources web page.

<sup>22</sup> 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.

<sup>23</sup> The Final Ballot is used to confirm consensus achieved during the Formal Comment and Ballot stage. Ballot Pool members voting negative on the Final Ballot will be deemed to have expressed the reason for their negative ballot in their own comments or the comments of others during prior Formal Comment periods.

## Process for Developing, Modifying, Withdrawing or Retiring a Reliability Standard

### **4.12: Consideration of Comments**

If a stakeholder or ballotter proposes a significant revision to a Reliability Standard during the formal comment period or concurrent Ballot that will improve the quality, clarity, or enforceability of that Reliability Standard, then the drafting team may choose to make such revisions and post the revised Reliability Standard for another 45 calendar day public comment period and ballot. Prior to posting the revised Reliability Standard for an additional comment period, the drafting team must communicate this decision to stakeholders. This communication is intended to inform stakeholders that the drafting team has identified that significant revisions to the Reliability Standard are necessary and should note that the drafting team is not required to respond in writing to comments from the previous ballot. The drafting team will respond to comments received in the last Additional Ballot prior to conducting a Final Ballot.

There is no formal comment period concurrent with the Final Ballot and no obligation for the drafting team to respond to any comments submitted during the Final Ballot.

### **4.13: Additional Ballots**

A drafting team must respond in writing to every stakeholder written comment submitted in response to a ballot prior to conducting a Final Ballot. These responses may be provided in summary form, but all comments and objections must be responded to by the drafting team. All comments received and all responses shall be publicly posted.

However, a drafting team is not required to respond in writing to comments to the previous ballot when it determines that significant changes are needed and an Additional Ballot will be conducted.

### **4.14: Conduct Final Ballot**

When the drafting team has reached a point where it has made a good faith effort at resolving applicable objections and is not making any substantive changes from the previous ballot, the team shall conduct a "Final Ballot." A non-substantive revision is a revision that does not change the scope, applicability, or intent of any Requirement and includes but is not limited to things such as correcting the numbering of a Requirement, correcting the spelling of a word, adding an obviously missing word, or rephrasing a Requirement for improved clarity. Where there is a question as to whether a proposed modification is "substantive," the Standards Committee shall make the final determination.

In the Final Ballot, members of the ballot pool shall again be presented the proposed Reliability Standard along with the reasons for negative votes from the previous ballot, the responses of the drafting team to those concerns, and any resolution of the differences.

All members of the ballot pool shall be permitted to reconsider and change their vote from the prior ballot. Members of the ballot pool who did not respond to the prior ballot shall be permitted to vote in the Final Ballot. In the Final Ballot, votes shall be counted by exception only | members on the Final Ballot may indicate a revision to their original vote; otherwise their vote shall remain the same as in their prior ballot.

### **4.15: Final Ballot Results**

There are no limits to the number of public comment periods and ballots that can be conducted to result in a Reliability Standard or interpretation that is clear and enforceable, and achieves a quorum and sufficient affirmative votes for approval. The Standards Committee has the authority to conclude this process for a particular Reliability Standards action if it becomes obvious that the drafting team cannot develop a Reliability Standard that is within the scope of the associated SAR, is sufficiently clear to be enforceable, and achieves the requisite weighted Segment approval percentage.

The NERC Reliability Standards Staff shall post the final outcome of the ballot process. If the Reliability Standard is rejected, the Standards Committee may decide whether to end all further work on the proposed standard, return the project to informal development, or continue holding ballots to attempt to reach

#### Process for Developing, Modifying, Withdrawing or Retiring a Reliability Standard

consensus on the proposed standard. If the Reliability Standard is approved, the Reliability Standard shall be posted and presented to the Board of Trustees by NERC management for adoption and subsequently filed with Applicable Governmental Authorities for approval.

#### **4.16: Board of Trustees Adoption of Reliability Standards, Implementation Plan and VRFs and VSLs**

If a Reliability Standard and its associated implementation plan are approved by its ballot pool, the Board of Trustees shall consider adoption of that Reliability Standard and its associated implementation plan and shall direct the standard to be filed with Applicable Governmental Authorities for approval. In making its decision, the Board shall consider the results of the balloting and unresolved dissenting opinions. The Board shall adopt or reject a Reliability Standard and its implementation plan, but shall not modify a proposed Reliability Standard. If the Board chooses not to adopt a Reliability Standard, it shall provide its reasons for not doing so.

The board shall consider approval of the VRFs and VSLs associated with a reliability standard. In making its determination, the board shall consider the following:

- The Standards Committee shall present the results of the non-binding poll conducted and a summary of industry comments received on the final posting of the proposed VRFs and VSLs.
- NERC Staff shall present a set of recommended VRFs and VSLs that considers the views of the standard drafting team, stakeholder comments received on the draft VRFs and VSLs during the posting for comment process, the non-binding poll results, appropriate governmental agency rules and directives, and VRF and VSL assignments for other Reliability Standards to ensure consistency and relevance across the entire spectrum of Reliability Standards.

#### **4.17: Compliance**

For a Reliability Standard to be enforceable, it shall be approved by its ballot pool, adopted by the NERC Board of Trustees, and approved by Applicable Governmental Authorities, unless otherwise approved by the NERC Board of Trustees pursuant to the NERC Rules of Procedure (*e.g.* Section 321) and approved by Applicable Governmental Authorities. Once a Reliability Standard is approved or otherwise made mandatory by Applicable Governmental Authorities, all persons and organizations subject to jurisdiction of the ERO will be required to comply with the Reliability Standard in accordance with applicable statutes, regulations, and agreements.

#### **4.18: Withdrawal of a Reliability Standard, Interpretation, or Definition**

The term “withdrawal” as used herein, refers to the discontinuation of a Reliability Standard, Interpretation, Variance or definition that has been approved by the Board of Trustees and (1) has not been filed with Applicable Governmental Authorities, or (2) has been filed with, but not yet approved by, Applicable Governmental Authorities. The Standards Committee may withdraw a Reliability Standard, Interpretation or definition for good cause upon approval by the Board of Trustees. Upon approval by the Board of Trustees, NERC Staff will petition the Applicable Governmental Authorities, as needed, to allow for withdrawal. The Board of Trustees also has an independent right of withdrawal that is unaffected by the terms and conditions of this Section.

#### **4.19: Retirement of a Reliability Standard, Interpretation, or Definition**

The term “retirement” refers to the discontinuation of a Reliability Standard, Interpretation or definition that has been approved by Applicable Governmental Authorities. A Reliability Standard, Variance or Definition may be retired when it is superseded by a revised version, and in such cases the retirement of the

### Process for Developing, Modifying, Withdrawing or Retiring a Reliability Standard

earlier version is to be noted in the implementation plan presented to the ballot pool for approval and the retirement shall be considered approved by the ballot pool upon ballot pool approval of the revised version.

Upon identification of a need to retire a Reliability Standard, Variance, Interpretation or definition, where the item will not be superseded by a new or revised version, a SAR containing the proposal to retire a Reliability Standard, Variance, Interpretation or definition will be posted for a comment period and ballot in the same manner as a Reliability Standard. The proposal shall include the rationale for the retirement and a statement regarding the impact of retirement on the reliability of the Bulk Power System. Upon approval by the Board of Trustees, NERC Staff will petition the Applicable Governmental Authorities to allow for retirement.

## Section 5.0: Process for Developing a Defined Term

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NERC maintains a glossary of approved terms, entitled the *Glossary of Terms Used in NERC Reliability Standards*<sup>24</sup> (“Glossary of Terms”). The Glossary of Terms includes terms that have been through the formal approval process and are used in one or more NERC Reliability Standards. Definitions shall not contain statements of performance Requirements. The Glossary of Terms is intended to provide consistency throughout the Reliability Standards.

There are several methods that can be used to add, modify or retire a defined term used in a continent-wide Reliability Standard.

- Anyone can use a Standard Authorization Request (“SAR”) to submit a request to add, modify, or retire a defined term.
- Anyone can submit a Standards Comments and Suggestions Form recommending the addition, modification, or retirement of a defined term. (The suggestion would be added to a project and incorporated into a SAR.)
- A drafting team may propose to add, modify, or retire a defined term in conjunction with the work it is already performing.

### 5.1: Proposals to Develop a New or Revised Definition

The following considerations should be made when considering proposals for new or revised definitions:

- Some NERC Regional Entities have defined terms that have been approved for use in Regional Reliability Standards, and where the drafting team agrees with a term already defined by a Regional Entity, the same definition should be adopted if needed to support a NERC Reliability Standard.
- If a term is used in a Reliability Standard according to its common meaning (as found in a collegiate dictionary), the term shall not be proposed for addition to the Glossary of Terms.
- If a term has already been defined, any proposal to modify or delete that term shall consider all uses of the definition in approved Reliability Standards, with a goal of determining whether the proposed modification is acceptable, and whether the proposed modification would change the scope or intent of any approved Reliability Standards.
- When practical, where NAESB has a definition for a term, the drafting team shall use the same definition to support a NERC Reliability Standard.

Any definition that is balloted separately from a proposed new or modified Reliability Standard or from a proposal for retirement of a Reliability Standard shall be accompanied by an implementation plan.

If a SAR is submitted to the NERC Reliability Standards Staff with a proposal for a new or revised definition, the Standards Committee shall consider the urgency of developing the new or revised definition and may direct NERC Staff to post the SAR immediately, or may defer posting the SAR until a later time based on its priority relative to other projects already underway or already approved for future development. If the SAR identifies a term that is used in a Reliability Standard already under revision by a drafting team, the Standards Committee may direct the drafting team to add the term to the scope of the existing project. Each time the Standards Committee accepts a SAR for a project that was not identified in the *Reliability Standards Development Plan*, the project shall be added to the list of approved projects.

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<sup>24</sup> The latest approved version of the Glossary of Terms is posted on the NERC website on the Standards web page.

## Process for Developing a Defined Term

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### **5.2: Stakeholder Comments and Approvals**

Any proposal for a new or revised definition shall be processed in the same manner as a Reliability Standard and quality review shall be conducted in parallel with this process. Once authorized by the Standards Committee, the proposed definition and its implementation plan shall be posted for at least one formal stakeholder comment period and shall be balloted in the same manner as a Reliability Standard. If a new or revised definition is proposed by a drafting team, that definition may be balloted separately from the associated Reliability Standard.

Each definition that is approved by its ballot pool shall be submitted to the NERC Board of Trustees for adoption and then filed with Applicable Governmental Authorities for approval in the same manner as a Reliability Standard.



## Section 6.0: Process for Conducting Field Tests

While most drafting teams can develop Reliability Standards without ~~the need to conducting~~ any field tests ~~or and without~~ the need to collect and analyze data, some Reliability Standard development efforts may benefit from field tests to analyze data and validate concepts ~~in the development of Reliability Standards~~. Drafting teams are not required to collect and analyze data or ~~to conduct a field test to validate a Reliability Standard~~.

A field test is initiated by either a SAR or Reliability Standard drafting team. The drafting team may be supplemented with other individuals based on the required technical expertise needed to support the field test. The drafting team is responsible for developing the field test plan, including the implementation schedule, and ~~for~~ identifying compliance-related issues such as the potential need for compliance waivers.

### 6.1: Field Tests and Data Analysis (collectively “**F**ield **T**est”)

- Field **T**ests to validate concepts ~~that supporting the~~ development of Reliability Standards should be conducted, to the extent possible, before ~~finalizing~~ the SAR for a project ~~is finalized~~.
- To conduct a field test of a technical concept in a proposed new or revised Reliability Standard, the drafting team must work with NERC Staff to identify one of NERC’s technical committees to oversee the **F**ield **T**est as well as other technical committees with relevant technical expertise.
- The ~~drafting team will conduct the F~~ield **T**est ~~is conducted by the drafting team~~, in coordination with NERC Staff and under the oversight of the assigned technical committee, in accordance with an approved **F**ield **T**est plan.

#### 6.1.1. Field Test Approval

The request to conduct a **F**ield **T**est shall include, at a minimum:

- the **F**ield **T**est plan,
- the implementation schedule, and
- ~~an expectation~~ for periodic updates ~~to the lead NERC technical committee~~ of the ~~results analysis of the results to the lead NERC technical committee~~.

~~Prior to conducting a Field Test, the drafting team must receive approval from: (a) the Standards Committee Prior to the drafting team conducting a field test, the drafting team must first receive approval from and (b) the lead NERC technical committee. Second, the drafting team must receive approval from the Standards Committee.~~

The lead NERC technical committee ~~s shall base its~~ approval ~~shall be based~~ on the technical adequacy of the **F**ield **T**est plan. Following approval, the lead NERC technical committee shall provide a recommendation to the Standards Committee for ~~the disposition~~ of the **F**ield **T**est plan request. The lead NERC technical committee shall coordinate all entity participation in the **F**ield **T**est, such as accepting, adding, and withdrawing individual entities ~~from the field test~~, as well as coordinating and communicating ~~status of the results of the field test~~.

The Standards Committee ~~s shall base its~~ decision to approve the **F**ield **T**est plan request ~~shall be based~~ solely on whether the Standards Committee, by majority vote, agrees or disagrees with the lead NERC technical committee’s recommendation. If the Standards Committee disagrees with the ~~lead NERC technical committee’s~~ recommendation, ~~it the Standards Committee~~ shall ~~provide an explanation of the decision to inform~~ the lead NERC technical committee ~~with an explanation of the basis for the decision~~.

### 6.1.2: Field Test Suspension for Reliability Concerns

During the Field Test, if the lead NERC technical committee ~~overseeing the field test~~ determines that the Field Test is creating a reliability risk to the Bulk Power System:

- ~~the lead NERC technical committee shall stop or modify the activity; and~~
- ~~the lead NERC technical committee shall~~ inform the Standards Committee that the activity was stopped or modified;
- ~~the Standards Committee shall, with the assistance of from~~ NERC Staff, ~~shall~~ document the Field Test cessation or modification ~~of the field test~~; and
- ~~the Standards Committee, with the assistance of NERC Staff, shall~~ notify NERC Compliance Monitoring and Enforcement Program Staff to coordinate any compliance-related issues such as ~~continuance or terminating~~ cessation of waivers (see Section 6.2).

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Prior to ~~restarting at the Field Test being restarted after it has been stopped~~, the drafting team must resubmit the Field Test request and receive approval as outlined in Section 6.1.1.

### 6.1.3: Continuing, Modifying, or Terminating a Field Test

If the drafting team ~~determines concludes that a Field Test~~ does not provide sufficient information to formulate a conclusion within the time allotted in the plan, ~~it the drafting team shall provide to the lead NERC technical committee and the chair of the Standards Committee~~ a recommendation to ~~either~~ continue ~~(including extending the duration of the field test beyond the period of standard development)~~, modify ~~(including extending the duration)~~, or terminate the Field Test ~~to the lead NERC technical committee and the chair of the Standards Committee~~. The lead NERC technical committee shall either approve or reject a request to continue, modify, or terminate the field test; and, thereafter, provide notice to the ~~chair of the Standards Committee~~ chair of its ~~selection~~ decision.

If the duration of the field test is extended beyond the period of standard development, NERC shall publicly post the preliminary report and results ~~shall be publicly posted on the NERC-its~~ web site prior to the final ballot of the Reliability Standard.

## 6.2: Communication and Coordination for All Types of Field Tests

After Field Test approval ~~of the field test~~, the drafting team may request compliance waivers ~~of compliance for field test Registered Entities participants who that may not would be able to rendered incapable of~~ complying with the Requirement(s) of a currently ~~enforceable~~ Reliability Standard due to ~~their participation in the Field Test~~. The NERC Compliance Monitoring and Enforcement Program Staff shall determine whether to approve the requested waivers and ~~shall be responsible for approving~~ any modifications or terminations ~~that may become necessary~~ following the start of the Field Test. The NERC Reliability Standards Staff shall inform the affected Registered Entities. Prior to ~~initiating of the Field Test~~, the ~~chair of the Standards Committee~~ chair and ~~in conjunction with~~ the lead NERC technical committee chair, shall inform the Board of Trustees of the ~~pending upcoming Field Test~~, the expected duration, and any requested compliance waivers ~~of compliance for Registered Entities~~.

During the Field Test, the drafting team shall provide ~~to the Standards Committee and lead NERC technical committee~~ periodic updates (no less than quarterly) on the Field Test progress ~~of the field test to the Standards Committee and the NERC technical committees~~. Prior to the ballot of any standard involving a field test, the drafting team shall provide to the Standards Committee: (a) ~~either~~ a preliminary report of the Field Test results ~~of the field test~~ to date, (b) ~~whetherif~~ the field test will continue beyond standard development, or (c) a final report if the Field Test ~~has been completed ended~~. The ~~chair of the Standards Committee~~ chair shall keep the Board of Trustees informed regarding the Field Test status.

NERC shall publish on the NERC web site ~~(The Field Test plan and all reports and results shall be publicly posted on the NERC web site~~. This posting shall include the participant list, unless ~~it is~~

## Process for Conducting Field Tests

~~determined that~~ posting ~~the~~ list would present confidentiality or other concerns.

## Section 7.0: Process for Developing an Interpretation

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. A valid Interpretation response provides additional clarity about one or more Requirements, but does not expand on any Requirement and does not explain how to comply with any Requirement. Any entity that is directly and materially affected by the reliability of the North American Bulk Power Systems may request an Interpretation of any Requirement in any continent-wide Reliability Standard that has been adopted by the NERC Board of Trustees. Interpretations will only be provided for Board of Trustees-approved Reliability Standards *i.e.* (i) the current effective version of a Reliability Standard; or (ii) a version of a Reliability Standard with a future effective date.

### 7.1: Valid Interpretation

An Interpretation may only clarify the language of the Requirement(s) of an approved Reliability Standard, including, if applicable, any attachment ~~referenced in the Requirement~~. The Interpretation may not alter the scope or ~~the~~ language of a Requirement or ~~referenced~~ attachment. No other elements of an approved Reliability Standard ~~is~~ are subject to an Interpretation.

### 7.2: Process for Requesting an Interpretation

The entity requesting the Interpretation shall submit a *Request for Interpretation* form<sup>25</sup> to the NERC Reliability Standards Staff explaining the clarification requested, the specific circumstances surrounding the request, and the impact of not having the Interpretation ~~provided~~. NERC Reliability Standards and Legal Staff shall review the request ~~for Interpretation~~ to determine whether it meets the requirements for a valid Interpretation. Based on this review, NERC Staff shall make a recommendation to the Standards Committee whether to accept the request for Interpretation ~~and move forward in responding to the Interpretation request~~.

#### 7.2.1: Rejection of an Interpretation Request

~~The Standards Committee may reject a~~ request for Interpretation ~~may be rejected~~ in the following circumstances:

- ~~Where~~ the request seeks approval of a particular compliance approach.<sup>26</sup>
- ~~Where~~ the issue can be addressed by incorporating ~~it~~ the issue into an existing or planned future standard development project.
- ~~Where~~ the request seeks clarification of any ~~element of a~~ Reliability Standard element other than a Requirement.
- ~~Where~~ the issue has already been addressed in the record.
- ~~Where~~ the request identifies an issue and proposes ~~the~~ development of a new or modified Reliability Standard (such issues should be addressed via ~~submitting of a SAR~~).
- ~~Where~~ the request seeks to expand ~~the scope of a~~ Reliability Standard's scope.
- ~~Where~~ the ~~meaning of a~~ Reliability Standard's meaning is plain on its face.

If the Standards Committee rejects the Interpretation request, it shall provide to the entity requesting the Interpretation a written explanation for the rejection ~~to the entity requesting the Interpretation~~ within 10 business days of the decision ~~to reject~~.

<sup>25</sup> The *Request for Interpretation* form is posted on the NERC Standards web page.

<sup>26</sup> Requests ~~that containing~~ specific compliance approaches, or examples of compliance, are not candidates for Interpretations and should be pursued through the applicable NERC Compliance Monitoring and Enforcement Standard Processes Manual  
VERSION 4.0: Effective: TBD

**Commented [AG2]:** Any request could be incorporated into a future project, which means the Standards Committee could use this reason to deny all requests for interpretation.

Process for Developing an Interpretation  
Program processes.

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### 7.2.2: Acceptance of an Interpretation Request

If the Standards Committee accepts the Interpretation request, ~~the Standards Committee~~ shall authorize NERC Reliability Standards Staff to assemble an Interpretation drafting team with the relevant expertise ~~to address the request.~~

### 7.3: Development of an Interpretation

As soon as practical, the Interpretation drafting team shall develop a draft Interpretation ~~addressing the request,~~ consistent with Section 7.1. Interpretations ~~shall be developed in accordance with using~~ the following process:

- NERC Reliability Standards staff shall review the draft Interpretation to determine whether it ~~has meets~~ the requirements for a valid Interpretation and ~~to provide a recommendation~~ to the Standards Committee a recommendation whether to authorize posting or remand to the Interpretation drafting team for further work.
- The Standards Committee, after reviewing ~~ing of the Staff~~ recommendation, may authorize posting of the draft Interpretation for comment and ballot.
- NERC shall conduct a ballot on Interpretations ~~shall be balloted~~ in the same manner it ballots Reliability Standards (see Section 4.0), with the following exceptions:
  - NERC shall post Interpretations ~~shall be posted~~ for a 30-day informal comment period ~~and~~ ~~the~~ Interpretation drafting team needs not ~~required to~~ respond in writing to comments submitted during ~~the~~ comment period.
  - ~~The~~ NERC Reliability Standards Staff shall establish a ballot pool during the first 20 days of the ~~30 day~~ informal comment period.
  - ~~The ballot window~~ Voting shall take place during the last 10 calendar days of the ~~30 day~~ informal comment period.
  - NERC shall not conduct Final Ballots ~~shall not be conducted~~ for Interpretations. An Interpretation ~~is~~ shall be deemed approved ~~by the ballot pool~~ following the first ballot ~~providing in which~~ the necessary quorum and sufficient affirmative votes ~~are obtained.~~

If the ballot results indicate ~~that there is not a~~ consensus for the Interpretation, and the Interpretation drafting team cannot revise the Interpretation without violating the basic criteria for ~~what constitutes~~ a valid Interpretation (see Section 7.1), the Interpretation drafting team shall notify the Standards Committee ~~of its conclusion~~ and may submit a SAR with the proposed ~~modification to the~~ Reliability Standard modification. NERC shall notify ~~the~~ entity ~~that requested~~ the Interpretation ~~shall be notified in~~ writing and ~~post~~ the disposition of the Interpretation ~~shall be posted on the NERC web site.~~

If, during its deliberations, the Interpretation drafting team identifies a reliability-related deficiency in the Reliability Standard ~~that is highlighted uncovered~~ by the Interpretation request, the Interpretation drafting team shall notify the Standards Committee ~~of its conclusion~~ and may submit a SAR with its recommendation at the same time it provides its proposed Interpretation.

If ~~approved by~~ the ballot pool approves the Interpretation, NERC Staff shall review ~~the final Interpretation~~ to determine whether it ~~has meets~~ the requirements for a valid Interpretation and ~~shall~~ make a recommendation to the NERC Board of Trustees regarding adoption.

If an Interpretation drafting team recommends ~~a modification to~~ a Reliability Standard ~~as part of its work in developing an Interpretation~~, NERC staff shall notify the Board of Trustees ~~shall be notified of~~ ~~the~~ recommendation when at the time submitting the Interpretation ~~is submitted~~ for adoption. Following Board of Trustees adoption, NERC shall file the Interpretation ~~shall be filed~~ with the Applicable Governmental Authorities, and ~~the Interpretation~~ shall become effective when approved by those

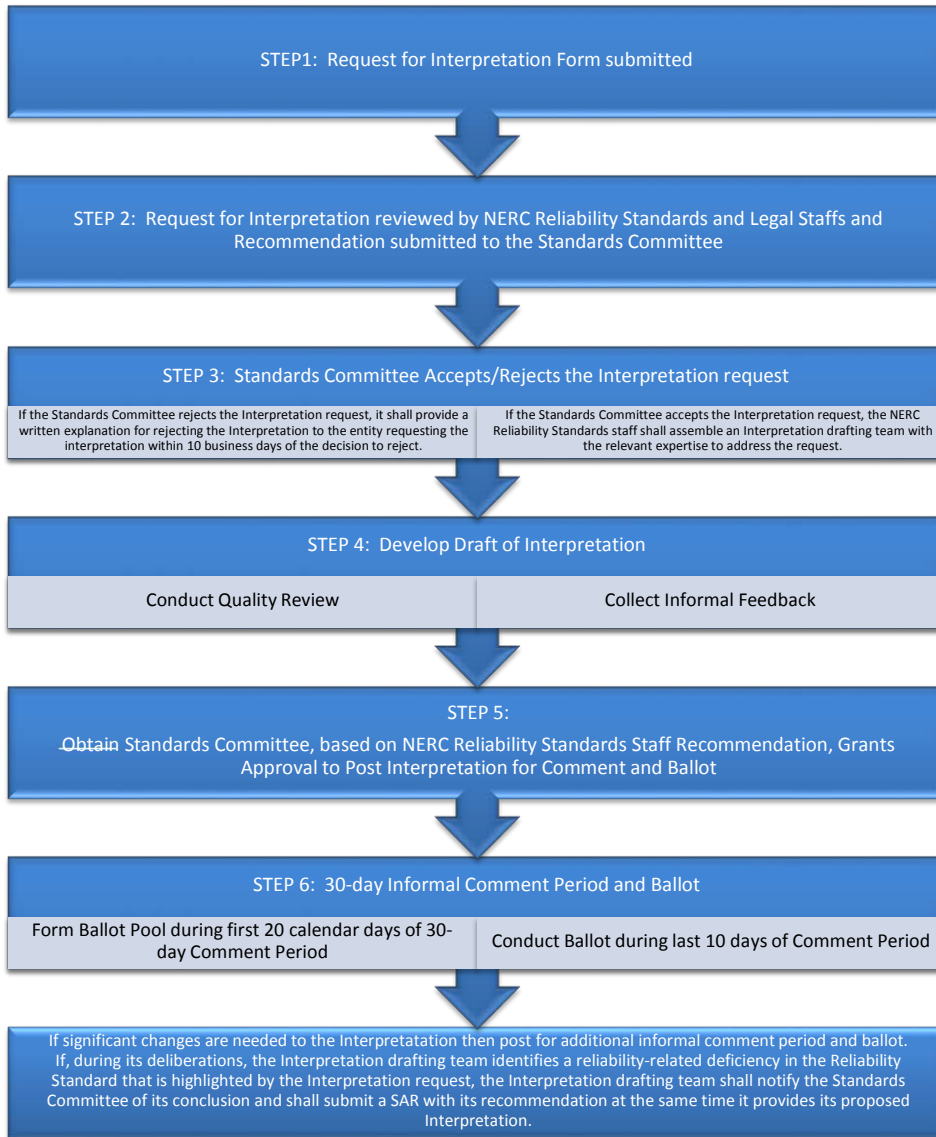
## Process for Developing an Interpretation

Applicable Governmental Authorities.<sup>27</sup> The Interpretation shall stand until ~~the Interpretation~~ can be incorporated into a future revision of the Reliability Standard or ~~the Interpretation~~ is retired due to a ~~future~~ modification of the applicable Requirement.

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<sup>27</sup> NERC will maintain a record of all interpretations associated with each standard on the Reliability Standards page of the NERC website.

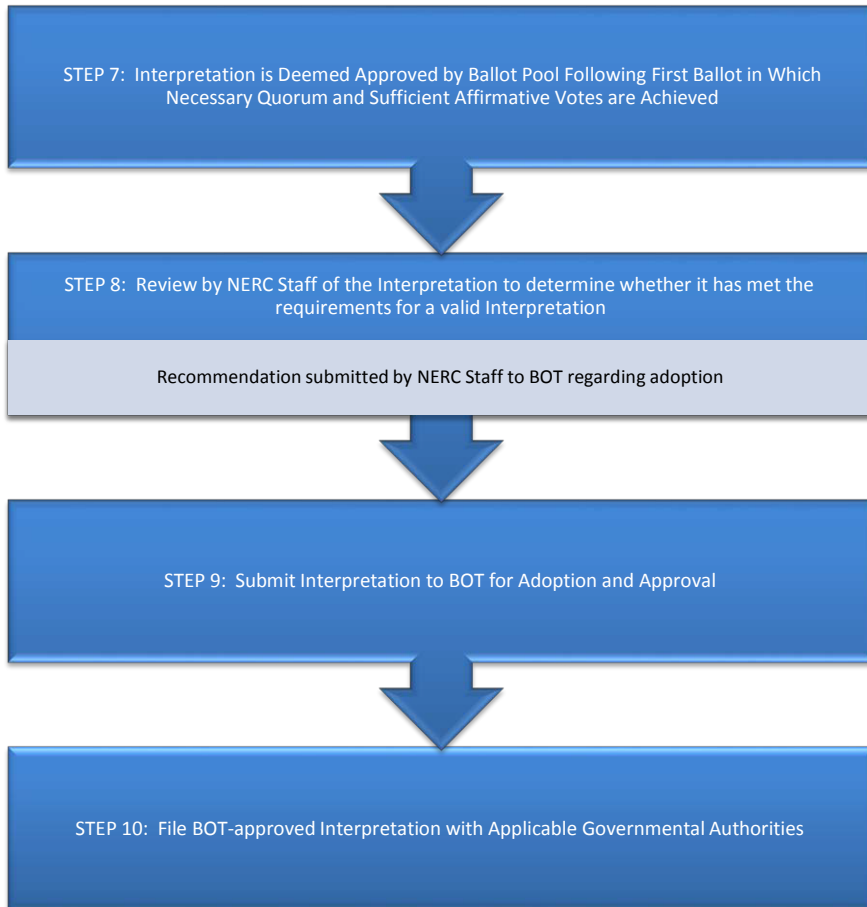
Process for Developing an Interpretation





## Process for Developing an Interpretation

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**FIGURE 2: Process for Developing an Interpretation**

## Section 8.0: Process for Appealing an Action or Inaction

Any entity that has directly and materially affected interests and that has been or will be adversely affected by any procedural action or inaction related to the development, approval, revision, reaffirmation, retirement or withdrawal of a Reliability Standard, definition, Variance, associated implementation plan, or Interpretation shall have the right to appeal. This appeals process applies only to the NERC Reliability Standards processes as defined in this manual, not to the technical content of the Reliability Standards action.

The burden of proof to show adverse effect shall be on the appellant. Appeals shall be made in writing 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. 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.

### 8.1: Level 1 Appeal

Level 1 is the required first step in the appeals process. The appellant shall submit (to the Director of Standards) a complaint in writing that describes the procedural action or inaction associated with the Reliability Standards process. The appellant shall describe in the complaint the actual or potential adverse impact to the appellant. Assisted by NERC Staff and industry resources as needed, the Director of Standards 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 shall be made a part of the public record associated with the Reliability Standard.

At any time prior to receiving the written response to the Level 1 Appeal, an appellant may withdraw the Level 1 Appeal with written notice to the Director of Standards.

### 8.2: 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 Director of Standards, the Director of Standards shall convene a Level 2 Appeals Panel. This panel shall consist of five members 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 NERC Reliability Standards Staff 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 entity that is directly and materially affected by the 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, definition, Variance or Interpretation or implementation plan as these responsibilities remain with the ballot pool and Board of Trustees respectively. The actions of the Level 2 Appeals Panel shall be publicly posted.

## Process for Appealing an Action or Inaction

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At any time prior to the meeting of the Level 2 Appeals Panel, an appellant may withdraw the Level 2 Appeal and accept the results of the Level 1 Appeal by providing written notice to the Director of Standards.

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, definition, Variance or Interpretation. The objection shall 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 shall be filed no later than 30 days after the announcement of the vote by the ballot pool on the Reliability Standard in question.

## Section 9.0: Process for Developing a Variance

A Variance is an approved, alternative method of achieving the reliability intent of one or more Requirements in a Reliability Standard. No Regional Entity or Bulk Power System owner, operator, or user shall claim a Variance from a NERC Reliability Standard without approval of such a Variance through the relevant Reliability Standard approval procedure for the Variance. Each Variance from a NERC Reliability Standard that is approved by NERC and Applicable Governmental Authorities shall be made an enforceable part of the associated NERC Reliability Standard.

NERC's drafting teams shall aim to develop Reliability Standards with Requirements that apply on a continent-wide basis, minimizing the need for Variances while still achieving the Reliability Standard's reliability objectives. If one or more Requirements cannot be met or complied with as written because of a physical difference in the Bulk Power System or because of an operational difference (such as a conflict with a federally or provincially approved tariff), but the Requirement's reliability objective can be achieved in a different fashion, an entity or a group of entities may pursue a Variance from one or more Requirements in a continent-wide Reliability Standard. It is the responsibility of the entity that needs a Variance to identify that need and initiate the processing of that Variance through the submittal of a SAR<sup>28</sup> that includes a clear definition of the basis for the Variance.

There are two types of Variances – those that apply on an Interconnection-wide basis, and those that apply to one or more entities on less than an Interconnection-wide basis.

### 9.1: Interconnection-wide Variances

Any Variance from a NERC Reliability Standard Requirement that is proposed to apply to Registered Entities within a Regional Entity organized on an Interconnection-wide basis shall be considered an Interconnection-wide Variance and shall be developed through that Regional Entity's NERC-approved Regional Reliability Standards development procedure.

While an Interconnection-wide Variance may be developed through the associated Regional Reliability Standards development process, Regional Entities are encouraged to work collaboratively with existing continent-wide drafting teams to reduce potential conflicts between the two efforts.

An Interconnection-wide 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 associated NERC Reliability Standard. NERC shall rebuttably presume that an Interconnection-wide Variance from a NERC Reliability Standard that is developed, in accordance with a Regional Reliability Standards development 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.

### 9.2: Variances that Apply on Less than an Interconnection-wide Basis

Any Variance from a NERC Reliability Standard Requirement that is proposed to apply to one or more entities but less than an entire Interconnection (*e.g.*, 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 considered a Variance. A Variance may be requested while a Reliability Standard is under development or a Variance may be requested at any time after a Reliability Standard is approved. Each request for a

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<sup>28</sup> A sample of a SAR that identifies the need for a Variance and a sample Variance are posted as resources on the Reliability Standards Resources web page.

## Process for Developing a Variance

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Variance shall be initiated through a SAR, and processed and approved in the same manner as a continent-wide Reliability Standard, using the Reliability Standards development process defined in this manual.

## Section 10.0: Processes for Developing a Reliability Standard Related to a Confidential Issue

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While it is NERC's intent to use its ANSI-accredited Reliability Standards development process for developing its Reliability Standards, NERC has an obligation as the ERO to ensure that there are Reliability Standards in place to preserve the reliability of the interconnected Bulk Power Systems throughout North America. When faced with a national security emergency situation, NERC may use one of the following special processes to develop a Reliability Standard that addresses an issue that is confidential. Reliability Standards developed using one of the following processes shall be called, "special Reliability Standards" and shall not be filed with ANSI for approval as American National Standards.

The NERC Board of Trustees may direct the development of a new or revised Reliability Standard to address a national security situation that involves confidential issues. These situations may involve imminent or long-term threats. In general, these Board directives will be driven by information from the President of the United States of America or the Prime Minister of Canada or a national security agency or national intelligence agency of either or both governments indicating (to the ERO) that there is a national security threat to the reliability of the Bulk Power System.<sup>29</sup>

There are two special processes for developing Reliability Standards responsive to confidential issues – one process where the confidential issue is "imminent," and one process where the confidential issue is "not imminent."

### **10.1: Process for Developing Reliability Standards Responsive to Imminent, Confidential Issues**

If the NERC Board of Trustees directs the immediate development of a new or revised Reliability Standard to address a confidential national security emergency situation, the NERC Reliability Standards Staff shall develop a SAR, form a ballot pool (to vote on the Reliability Standard and its implementation plan) and assemble a slate of pre-defined subject matter experts as a proposed drafting team for approval by the Standards Committee's officers. All members of the Registered Ballot Body shall have the opportunity to join the ballot pool.

### **10.2: Drafting Team Selection**

The Reliability Standard drafting team selection process shall be limited to just those candidates who have already been identified as having the appropriate security clearance, the requisite technical expertise, and either have signed or are willing to sign a strict confidentiality agreement.

### **10.3: Work of Drafting Team**

The Reliability Standard drafting team shall perform all its work under strict security and confidential rules. The Reliability Standard drafting team shall develop the new or revised Reliability Standard and its implementation plan.

The Reliability Standard drafting team shall review its work, to the extent practical, as it is being developed with officials from the appropriate governmental agencies in the U.S. and Canada, under strict security and confidentiality rules.

### **10.4: Formal Stakeholder Comment & Ballot Window**

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<sup>29</sup> The NERC Board may direct the immediate development and issuance of a Level 3 (Essential Action) alert and then may also direct the immediate development of a new or revised Reliability Standard.

## Processes for Developing a Reliability Standard Related to a Confidential Issue

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The draft Reliability Standard and its implementation plan shall be distributed for a formal comment period, under strict confidentiality rules, only to those entities that are listed in the NERC Compliance Registry to perform one of the functions identified in the applicability section of the Reliability Standard and have identified individuals from their organizations that have signed confidentiality agreements with NERC.<sup>30</sup> At the same time, the Reliability Standard shall be distributed to the members of the ballot pool for review and ballot. The NERC Reliability Standards Staff shall not post or provide the ballot pool with any confidential background information.

The drafting team, working with the NERC Reliability Standards Staff, shall consider and respond to all comments, make any necessary conforming changes to the Reliability Standard and its implementation plan, and shall distribute the comments, responses and any revision to the same population as received the initial set of documents for formal comment and ballot.

### **10.5: Board of Trustee Actions**

Each Reliability Standard and implementation plan developed through this process shall be submitted to the NERC Board of Trustees for adoption.

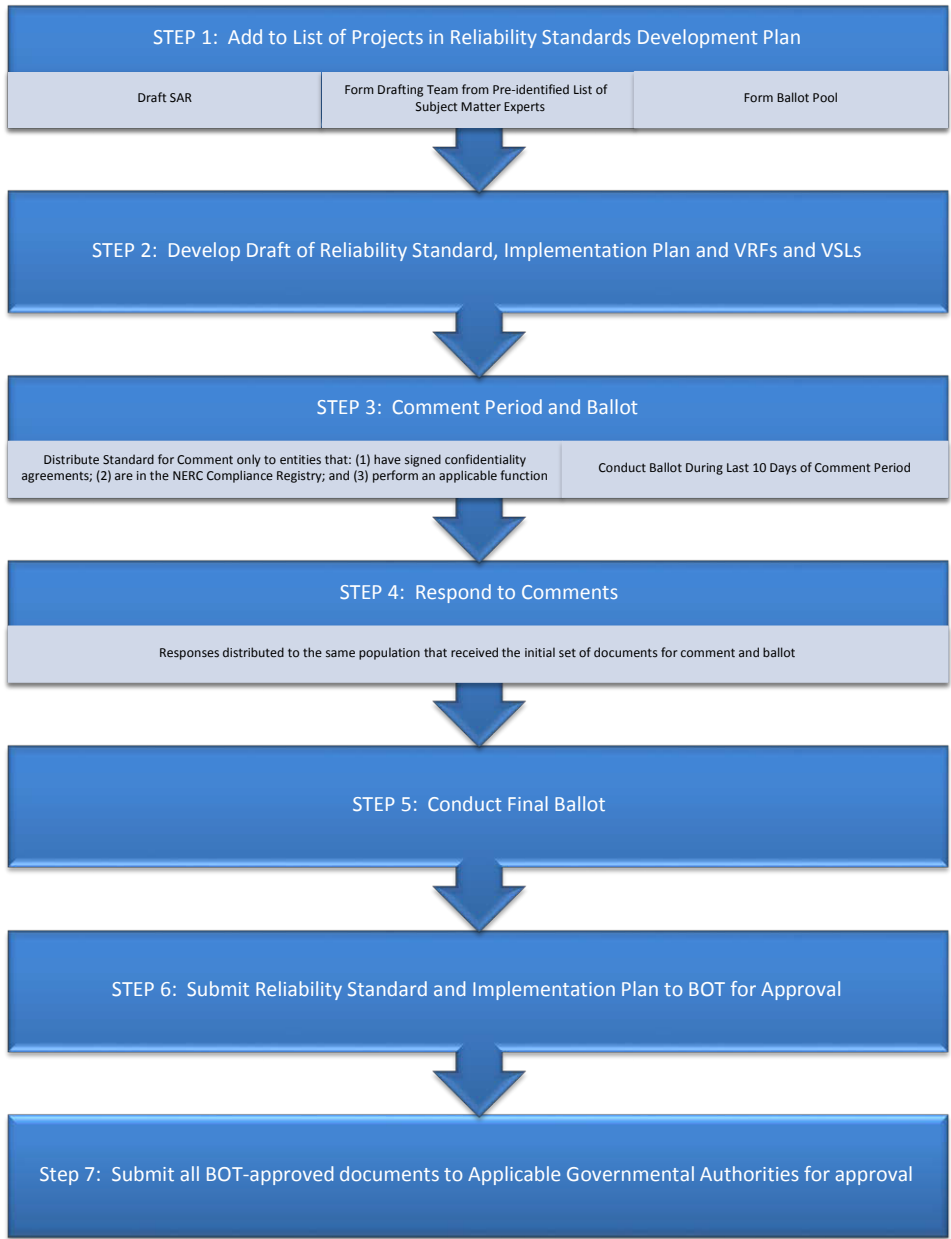
### **10.6: Governmental Approvals**

All approved documents shall be filed for approval with Applicable Governmental Authorities.

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<sup>30</sup> In this phase of the process, only the proposed Reliability Standard shall be distributed to those entities expected to comply, not the rationale and justification for the Reliability Standard. Only the special drafting team members, who have the appropriate security credentials, shall have access to this rationale and justification.

**10.7: Developing a Reliability Standard Responsive to an Imminent, Confidential Issue**





**FIGURE 3: Process for Developing a Standard Responsive to an Imminent, Confidential Issue**

**10.8: Process for Developing Reliability Standards Responsive to Non-imminent, Confidential Issues**

If the NERC Board of Trustees directs the immediate development of a new or revised Reliability Standard to address a confidential national security emergency situation, the NERC Reliability Standards Staff shall develop a SAR, form a ballot pool (to vote on the Reliability Standard and its implementation plan) and assemble a slate of pre-defined subject matter experts as a proposed drafting team for approval by the Standards Committee's officers. All members of the Registered Ballot Body shall have the opportunity to join the ballot pool.

**10.9: Drafting Team Selection**

The drafting team selection process shall be limited to just those candidates who have already been identified as having the appropriate security clearance, the requisite technical expertise, and either have signed or are willing to sign a strict confidentiality agreement.

**10.10: Work of Drafting Team**

The drafting team shall perform all its work under strict security and confidentiality rules. The Reliability Standard drafting team shall develop the new or revised Reliability Standard and its implementation plan.

The drafting team shall review its work, to the extent practical, as it is being developed with officials from the Applicable Governmental Authorities, under strict security and confidentiality rules.

**10.11: Formal Stakeholder Comment & Ballot Window**

The draft Reliability Standard and its implementation plan shall be distributed for a formal comment period, under strict confidentiality rules, only to those entities that are listed in the NERC Compliance Registry to perform one of the functions identified in the applicability section of the Reliability Standard and have identified individuals from their organizations that have signed confidentiality agreements with NERC.<sup>31</sup> At the same time, the Reliability Standard shall be distributed to the members of the ballot pool for review and ballot. The NERC Reliability Standards Staff shall not post or provide the ballot pool with any confidential background information.

**10.12: Revisions to Reliability Standard, Implementation Plan and VRFs and VSLs**

The drafting team, working with the NERC Reliability Standards Staff, shall work to refine the Reliability Standard, implementation plan and VRFs and VSLs in the same manner as for a new Reliability Standard following the "normal" Reliability Standards development process described earlier in this manual with the exception that distribution of the comments, responses, and new drafts shall be limited to those entities that are in the ballot pool and those entities that are listed in the NERC Compliance Registry to perform one of the functions identified in the applicability section of the Reliability Standard and have identified individuals from their organizations that have signed confidentiality agreements with NERC.

**10.13: Board of Trustee Action**

Each Reliability Standard, implementation plan, and the associated VRFs and VSLs developed through this process shall be submitted to the NERC Board of Trustees for adoption.

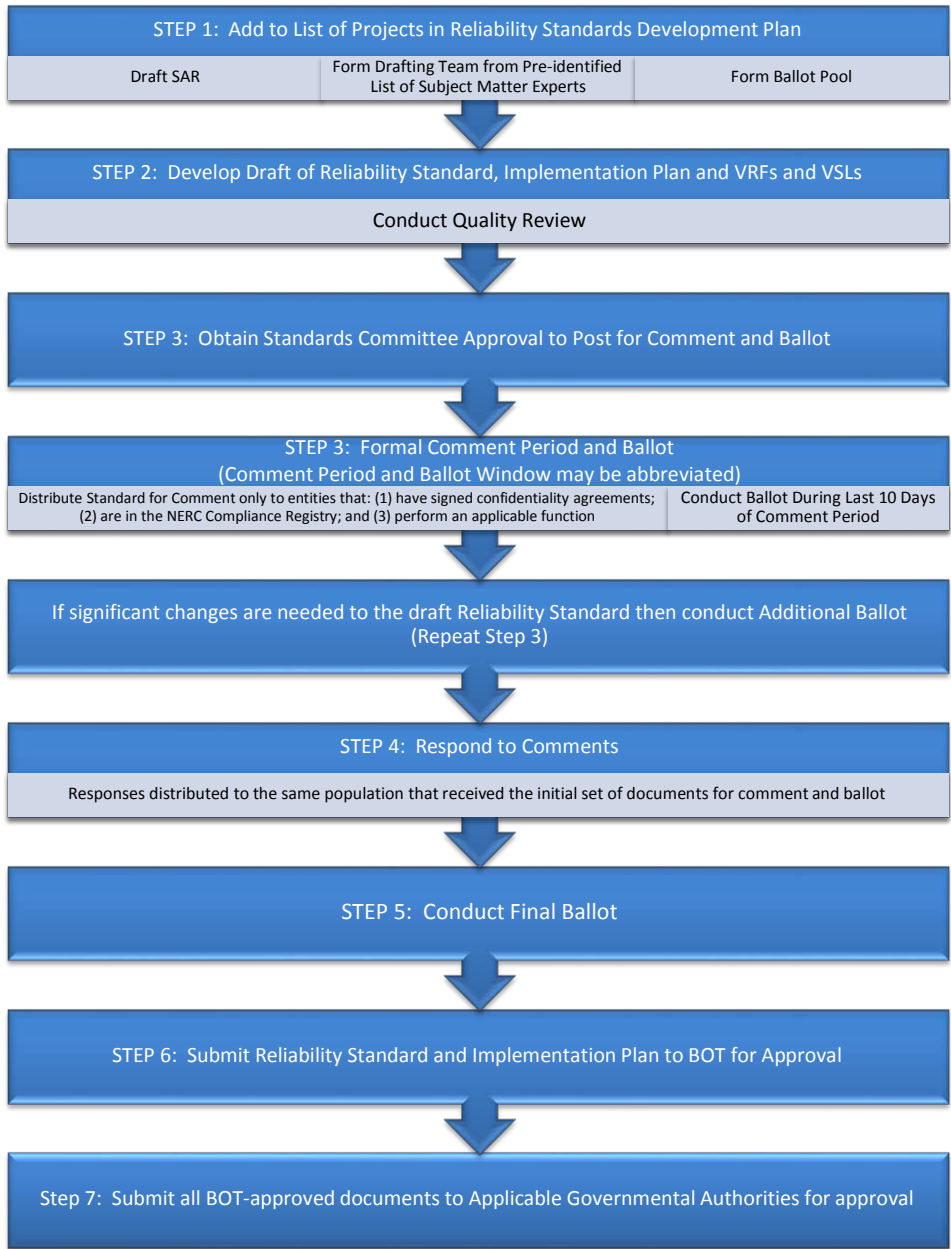
**10.14: Governmental Approvals**

All BOT-approved documents shall be filed for approval with Applicable Governmental Authorities.

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<sup>31</sup> In this phase of the process, only the proposed Reliability Standard shall be distributed to those entities expected to comply, not the rationale and justification for the Reliability Standard. Only the special drafting team members, who have the appropriate security credentials, shall have access to this rationale and justification.

**Developing a Reliability Standard Responsive to a Non-imminent, Confidential Issue**



**FIGURE 4: Developing a Standard Responsive to a Non-Imminent, Confidential Issue**

## Section 11.0: Process for Approving Supporting Documents

The NERC Standards Committee oversees ~~the~~ development and approval of documents identified as supporting documents to Reliability Standards ~~approved by the Applicable Governmental Authority~~. Supporting documents may explain or facilitate understanding of Reliability Standards but do not ~~themselves~~ contain mandatory Requirements subject to compliance review. Any mandatory Requirements ~~that are mandatory~~ shall be incorporated into the Reliability Standard in the Reliability Standard development process.

This Section provides the process/mechanism by which any stakeholder may propose a supporting document to an approved Reliability Standard.

The process outlined in this section is designed so ~~that~~ each supporting document receives stakeholder review ~~to verify the accuracy of the technical content~~ prior to its being postinged as a supporting document to an approved Reliability Standard.

### 11.1: Types of Supporting Documents

The types of supporting documents ~~that~~ Standards Committee may ~~be~~ approved ~~under this Section~~ are ~~listed below~~:

Type of Document	Description
Reference	Descriptive, technical information or analysis or explanatory information to support the understanding of an approved Reliability Standard.
Lessons Learned	Documents designed to convey lessons learned related to an approved Reliability Standard. A Lessons Learned document <del>can</del> is <del>not intended to</del> establish new Requirements <del>under NERC's Reliability Standards</del> or <del>to</del> modify Requirements in any existing Reliability Standards.
White Paper	An informal paper stating a position or concept. A white paper may have been used to propose preliminary concepts for a Reliability Standard or a Reference document.

Supporting documents do not include documents ~~that~~ containing specific compliance approaches or examples ~~of compliance~~. Such documents ~~sh~~ould be developed in accordance with the applicable NERC Compliance Monitoring and Enforcement Program process.

### 11.2: Process for Proposing and Evaluating Supporting Documents

~~Stakeholders shall submit to the NERC Reliability Standards Staff p~~Proposals for supporting documents ~~to approved Reliability Standards shall be submitted to the NERC Reliability Standards Staff~~.

NERC Staff shall ~~conduct a~~ review ~~of~~ the proposed supporting document ~~and~~ ~~In performing this review,~~ ~~NERC Staff~~ may consult any technical resources it deems appropriate. ~~The purpose of this~~ review is to determine whether the proposed supporting document meets the following ~~three~~ criteria:

1. the document is a ~~type of~~ supporting document subject to this Section, as described in Section 11.1;
2. the document is consistent with the purpose and intent of the associated Reliability Standard;

## Process for Approving Supporting Documents

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and

3. the document has received adequate stakeholder review to assess its technical adequacy, such as through a NERC technical committee review process, public comment period(s) held during the development of the associated Reliability Standard, or other stakeholder review process.

~~Where-If~~ NERC Staff determines ~~that~~ the proposed supporting document ~~has-meets~~ the ~~three~~ criteria specified above, NERC Staff shall submit the proposed supporting document to the Standards Committee as specified in Section 11.3 below.

~~Where-If~~ NERC Staff determines ~~that~~ the proposed supporting document does not meet the first or second criteria specified above, NERC Staff shall ~~inform~~ ~~notify~~ the submitter ~~that~~ the document will not be posted as a supporting document under this Section. ~~NERC Staff shall make~~ ~~this notification shall-be~~ ~~made~~ in writing, ~~with an explanation of~~ the basis for the decision. NERC Staff shall also notify the Standards Committee of ~~theis~~ determination at the next regularly-scheduled Standards Committee meeting.

~~Where-If~~ NERC Staff determines ~~that~~ the proposed supporting document meets the first and second criteria, but has not yet received adequate stakeholder review under the third criteria, NERC Staff shall make a recommendation to the Standards Committee to authorize ~~the~~ ~~posting of~~ the proposed supporting document for stakeholder review ~~to verify the accuracy of the technical content~~. This comment period shall ~~last be for~~ 30 business days, unless ~~directed otherwise by~~ the Standards Committee directs otherwise. Upon conclusion of the comment period, NERC Staff shall compile the comments and provide to the submitter for consideration. If the submitter modifies the proposed supporting document based on stakeholder comments, NERC Staff may post the document for additional comment periods to provide for sufficient ~~vetting and technical~~ review.

### 11.3: Approving a Supporting Document

~~AfterFollowing its~~ ~~determinati~~ ~~ng that~~ the proposed supporting document ~~has-meets~~ the ~~three~~ criteria specified in Section 11.2, NERC Staff shall present the supporting document to the NERC Standards Committee with a recommendation regarding whether ~~to~~ ~~the Standards Committee should~~ approve posting the supporting document ~~with the approved Reliability Standard~~ on the pertinent NERC website page(s).

## Section 12.0: Process for Correcting Errata

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From time to time, an error may be discovered in a Reliability Standard. Such errors may be corrected (i) following a Final Ballot prior to Board of Trustees adoption, (ii) following Board of Trustees adoption prior to filing with Applicable Governmental Authorities; and (iii) following filing with Applicable Governmental Authorities. If the Standards Committee agrees that the correction of the error does not change the scope or intent of the associated Reliability Standard, and agrees that the correction has no material impact on the end users of the Reliability Standard, then the correction shall be filed for approval with Applicable Governmental Authorities as appropriate. The NERC Board of Trustees has resolved to concurrently approve any errata approved by the Standards Committee.

## Section 13.0: Process for Conducting Periodic Reviews of Reliability Standards

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All Reliability Standards shall be reviewed at least once every ten years from the effective date of the Reliability Standard or the date of the latest Board of Trustees adoption to a revision of the Reliability Standard, whichever is later. If a Reliability Standard is approved by ANSI as an American National Standard, it shall be reviewed at least once every five years from the effective date of the Reliability Standard or the date of the latest Board of Trustees adoption to a revision of the Reliability Standard, whichever is later.

The *Reliability Standards Development Plan* shall include projects that address this five or ten-year review of Reliability Standards.

- If a Reliability Standard is nearing its five or ten-year review and has issues that need resolution, then the *Reliability Standards Development Plan* shall include a project for the complete review and associated revision of that Reliability Standard that includes addressing all outstanding governmental directives, all approved Interpretations, and all unresolved issues identified by stakeholders.
- If a Reliability Standard is nearing its five or ten-year review and there are no outstanding governmental directives, Interpretations, or unresolved stakeholder issues associated with that Reliability Standard, then the *Reliability Standards Development Plan* shall include a project solely for the “five-year review” of that Reliability Standard.

For a project that is focused solely on the five-year review, the Standards Committee shall appoint a review team of subject matter experts to review the Reliability Standard and recommend whether the American National Standard Institute-approved Reliability Standard should be reaffirmed, revised, or withdrawn. Each review team shall post its recommendations for a 45 calendar day formal stakeholder comment period and shall provide those stakeholder comments to the Standards Committee for consideration.

- If a review team recommends reaffirming a Reliability Standard, the Standards Committee shall submit the reaffirmation to the Board of Trustees for adoption and then to Applicable Governmental Authorities for approval. Reaffirmation does not require approval by stakeholder ballot.
- If a review team recommends modifying, or retiring a Reliability Standard, the team shall develop a SAR with such a proposal and the SAR shall be submitted to the Standards Committee for prioritization as a new project. Each existing Reliability Standard recommended for modification, or retirement shall remain in effect in accordance with the associated implementation plan until the action to modify or withdraw the Reliability Standard is approved by its ballot pool, adopted by the Board of Trustees, and approved by Applicable Governmental Authorities.

In the case of reaffirmation of a Reliability Standard, the Reliability Standard shall remain in effect until the next five or ten-year review or until the Reliability Standard is otherwise modified or withdrawn by a separate action.



## Section 14.0: Public Access to Reliability Standards Information

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### 14.1: Online Reliability Standards Information System

The NERC Reliability Standards Staff shall maintain an electronic copy of information regarding currently proposed and currently in effect Reliability Standards. This information shall include current Reliability Standards in effect, proposed revisions to Reliability Standards, and proposed new Reliability 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.

### 14.2: Archived Reliability Standards Information

The NERC Staff shall maintain a historical record of Reliability Standards information that is no longer maintained online. 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 Reliability Standard was no longer in effect. Archived records of Reliability Standards information shall be available electronically within 30 days following the receipt by the NERC Reliability Standards Staff of a written request.

## Section 15.0: Process for Updating Standard Processes

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### 15.1: Requests to Revise the Standard Processes Manual

Any person or entity may submit a request to modify one or more of the processes contained within this manual. The Standards Committee shall oversee the handling of each request. The Standards Committee shall prioritize all requests, merge related requests, and respond to each sponsor within 30 calendar days.

The Standards Committee shall post the proposed revisions for a 45 (calendar) day formal comment period. Based on the degree of consensus for the revisions, the Standards Committee shall:

- a. Submit the revised process or processes for ballot pool approval;
- b. Repeat the posting for additional inputs after making changes based on comments received;
- c. Remand the proposal to the sponsor 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 Reliability Standard, including the use of an Additional 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 submit to the Board a description of the basis for the changes, a summary of the comments received, and any minority views expressed in the comment and ballot process. The proposed revisions shall not be effective until approved by the NERC Board of Trustees and Applicable Governmental Authorities.

## Section 16.0: Waiver

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While it is NERC's intent to use its ANSI-accredited Reliability Standards development process for developing its Reliability Standards, NERC may need to develop a new or modified Reliability Standard, definition, Variance, or implementation plan under specific time constraints (such as to meet a time constrained regulatory directive) or to meet an urgent reliability issue such that there isn't sufficient time to follow all the steps in the normal Reliability Standards development process.

The Standards Committee may waive any of the provisions contained in this manual for good cause shown, but limited to the following circumstances:

- In response to a national emergency declared by the United States or Canadian government that involves the reliability of the Bulk Electric System or cyber attack on the Bulk Electric System;
- Where necessary to meet regulatory deadlines;
- Where necessary to meet deadlines imposed by the NERC Board of Trustees; or
- Where the Standards Committee determines that a modification to a proposed Reliability Standard or its Requirement(s), a modification to a defined term, a modification to an interpretation, or a modification to a variance has already been vetted by the industry through the standards development process or is so insubstantial that developing the modification through the processes contained in this manual will add significant time delay.

In no circumstances shall this provision be used to modify the requirements for achieving quorum or the voting requirements for approval of a standard.

A waiver request may be submitted to the Standards Committee by any entity or individual, including NERC committees or subgroups and NERC Staff. Prior to consideration of any waiver request, the Standards Committee must provide five business days notice to stakeholders.

Action on the waiver request will be included in the minutes of the Standards Committee. Following the approval of the Standards Committee to waive any provision of the Standard Process Manual, the Standards Committee will report this decision to the Standards Oversight and Technology Committee.<sup>32</sup> Actions taken pursuant to an approved waiver request will be posted on the Standard Project page and included in the next project announcement.

In addition, the Standards Committee shall report the exercise of this waiver provision to the Board of Trustees prior to adoption of the related Reliability Standard, Interpretation, definition or Variance.

Reliability Standards developed as a result of a waiver of any provision of the Standard Processes Manual shall not be filed with ANSI for approval as American National Standards.

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<sup>32</sup> Any entity may appeal a waiver decision or any other procedural decision by the Standards Committee pursuant to Section 8.0 of the NERC Standard Processes Manual.

**NERC**

NORTH AMERICAN ELECTRIC  
RELIABILITY CORPORATION

# Standard Processes Manual

VERSION 4

Effective TBD

**RELIABILITY | ACCOUNTABILITY**



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## Section 1.0: Introduction

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### 1.1: Authority

This manual is published by the authority of the North American Electric Reliability Corporation (“NERC”) Board of Trustees and has been incorporated into the NERC Rules of Procedure as Appendix 3A. It provides implementation detail in support of the NERC Rules of Procedure Section 300 — Reliability Standards Development.

Capitalized terms not otherwise defined herein shall have the meaning set forth in the Definitions Used in the Rules of Procedure, Appendix 2 to the Rules of Procedure. Unless otherwise specified, any period of time that is counted in days shall refer to calendar days.

### 1.2: Scope

The policies and procedures in this manual shall govern the activities of NERC related to the development, approval, revision, reaffirmation, and withdrawal of Reliability Standards, Interpretations, Violation Risk Factors (“VRFs”), Violation Severity Levels (“VSLs”), definitions, Variances, and reference documents developed to support standards for the Reliable Operation and planning of the North American Bulk Power Systems.

This manual also addresses the role of the Standards Committee, drafting teams, and the ballot body in the development and approval of Compliance Elements in conjunction with standard development.

### 1.3: Background

NERC is a nonprofit corporation formed for the purpose of becoming the North American ERO. NERC works with all stakeholder segments of the electric industry, including electricity users, to develop Reliability Standards for the reliability planning and Reliable Operation of the North American Bulk Power Systems. 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 Reliability Standards mandatory for all Bulk Power System owners, operators, and users. Similar authorities are provided by Applicable Governmental Authorities in Canada. The United States Federal Energy Regulatory Commission (“FERC”) certified NERC as the ERO effective July 2006. *North American Electric Reliability Corp.*, 116 FERC ¶ 61,062, *order on reh’g and compliance*, 117 FERC ¶ 61,126 (2006), *order on compliance*, 118 FERC ¶ 61,030 (2007).

### 1.4: Essential Attributes of NERC’s Reliability Standards Processes

NERC’s Reliability Standards development processes provide reasonable notice and opportunity for public comment, due process, openness, and balance of interests in developing a proposed Reliability Standard consistent with the attributes necessary for American National Standards Institute (“ANSI”) accreditation. The same attributes, as well as transparency, consensus-building, and timeliness, are also required under the ERO Rules of Procedure Section 304.

- **Open Participation**

Participation in NERC’s Reliability Standards development balloting and approval processes shall be open to all entities materially affected by NERC’s Reliability Standards. There shall be no financial barriers to participation in NERC’s Reliability Standards balloting and approval processes. Membership in the Registered Ballot Body shall not be conditional upon membership in any organization, nor unreasonably restricted on the basis of technical qualifications or other such requirements.

- **Balance**

NERC's Reliability Standards development processes shall not be dominated by any two interest categories, individuals, or organizations and no single interest category, individual, or organization is able to defeat a matter.

NERC shall use a voting formula that allocates each industry Segment an equal weight in determining the final outcome of any Reliability Standard action. The Reliability Standards development processes shall have a balance of interests. Participants from diverse interest categories shall be encouraged to join the Registered Ballot Body and participate in the balloting process, with a goal of achieving balance between the interest categories. The Registered Ballot Body serves as the consensus body voting to approve each new or proposed Reliability Standard, definition, Variance, and Interpretation.

- **Coordination and harmonization with other American National Standards activities**

NERC is committed to resolving any potential conflicts between its Reliability Standards development efforts and existing American National Standards and candidate American National Standards.

- **Notification of standards development**

NERC shall publicly distribute a notice to each member of the Registered Ballot Body, and to each stakeholder who indicates a desire to receive such notices, for each action to create, revise, reaffirm, or withdraw a Reliability Standard, definition, or Variance; and for each proposed Interpretation. Notices shall be distributed electronically, with links to the relevant information, and notices shall be posted on NERC's Reliability Standards web page. All notices shall identify a readily available source for further information.

- **Transparency**

The process shall be transparent to the public.

- **Consideration of views and objections**

Drafting teams shall give prompt consideration to the written views and objections of all participants as set forth herein. Drafting teams shall make an effort to resolve each objection that is related to the topic under review.

- **Consensus Building**

The process shall build and document consensus for each Reliability Standard, both with regard to the need and justification for the Reliability Standard and the content of the Reliability Standard.

- **Consensus vote**

NERC shall use its voting process to determine if there is sufficient consensus to approve a proposed Reliability Standard, definition, Variance, or Interpretation. NERC shall form a ballot pool for each Reliability Standard action from interested members of its Registered Ballot Body. Approval of any Reliability Standard action requires:

- A quorum, which is established by at least 75% of the members of the ballot pool submitting a response excluding unreturned ballots; and
- A two-thirds majority of the weighted Segment votes cast shall be affirmative. The number of votes cast during all stages of balloting except the final ballot is the sum of affirmative and negative votes with comments, excluding abstentions, non-responses, and negative votes without comments. During the final ballot, the number of votes cast is the sum of affirmative and negative votes, excluding abstentions and non-responses.

- ***Timeliness***

Development of Reliability Standards shall be timely and responsive to new and changing priorities for reliability of the Bulk Power System.

- ***Metric Policy***

The International System of units is the preferred units of measurement in NERC Reliability Standards. However, because NERC's Reliability Standards apply in Canada, the United States and portions of Mexico, where applicable, measures are provided in both the metric and English units.

## **1.5: Ethical Participation**

All participants in the NERC Standard development process, including drafting teams, quality reviewers, Standards Committee members and members of the Registered Ballot Body, are obligated to act in an ethical manner in the exercise of all activities conducted pursuant to the terms and conditions of the Standard Processes Manual and the standard development process.



## Section 2.0: Elements of a Reliability Standard

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### 2.1: Definition of a Reliability Standard

A Reliability Standard includes a set of Requirements that define specific obligations of owners, operators, and users of the North American Bulk Power Systems. The Requirements shall be material to reliability and measurable. A Reliability Standard is defined as follows:

“Reliability Standard” means a requirement, approved by the United States Federal Energy Regulatory Commission under Section 215 of the Federal Power Act, or approved or recognized by an applicable governmental authority in other jurisdictions, to provide for Reliable Operation of the Bulk Power System. The term includes requirements for the operation of existing Bulk Power System facilities, including cybersecurity protection, and the design of planned additions or modifications to such facilities to the extent necessary for Reliable Operation of the Bulk Power System, but the term does not include any requirement to enlarge such facilities or to construct new transmission capacity or generation capacity. (In certain contexts, this term may also refer to a “Reliability Standard” that is in the process of being developed, or not yet approved or recognized by FERC or an applicable governmental authority in other jurisdictions).<sup>1</sup>

### 2.2: Reliability Principles

NERC Reliability Standards are based on certain reliability principles that define the foundation of reliability for North American Bulk Power Systems.<sup>2</sup> Each Reliability Standard shall enable or support one or more of the reliability principles, thereby ensuring that each Reliability 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 Reliability Standard undermines reliability through an unintended consequence.

### 2.3: Market 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.<sup>3</sup> 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.

### 2.4: Types of Reliability Requirements

Generally, each Requirement of a Reliability Standard shall identify what Functional Entities shall do, and under what conditions, to achieve a specific reliability objective. Although Reliability Standards all follow this format, several types of Requirements may exist, each with a different approach to measurement.

- **Performance-based Requirements** define a specific reliability objective or outcome achieved by one or more entities that has a direct, observable effect on the reliability of the Bulk Power System, i.e. an effect that can be measured using power system data or trends. In its simplest form, a performance-based requirement has four components: who, under what conditions (if any), shall perform what action, to achieve what particular result or outcome.

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<sup>1</sup> See Appendix 2 to the NERC Rules of Procedure, Definitions Used in the Rules of Procedure.

<sup>2</sup> The intent of the set of NERC Reliability Standards is to deliver an adequate level of reliability. The latest set of reliability principles and the latest set of characteristics associated with an adequate level of reliability are posted on the Reliability Standards Resources web page.

<sup>3</sup> The latest set of market interface principles is posted on the Reliability Standards Resources web page.

- **Risk-based Requirements** define actions by one or more entities that reduce a stated risk to the reliability of the Bulk Power System and can be measured by evaluating a particular product or outcome resulting from the required actions. A risk-based reliability requirement should be framed as: who, under what conditions (if any), shall perform what action, to achieve what particular result or outcome that reduces a stated risk to the reliability of the Bulk Power System.
- **Capability-based Requirements** define capabilities needed by one or more entities to perform reliability functions and can be measured by demonstrating that the capability exists as required. A capability-based reliability requirement should be framed as: *who, under what conditions (if any), shall have what capability, to achieve what particular result or outcome to perform an action to achieve a result or outcome or to reduce a risk to the reliability of the Bulk Power System.*

The body of reliability Requirements collectively provides a defense-in-depth strategy supporting reliability of the Bulk Power System.

## 2.5: Elements of a Reliability Standard

A Reliability Standard includes several components designed to work collectively to identify what entities must do to meet their reliability-related obligations as an owner, operator or user of the Bulk Power System.

The components of a Reliability Standard may include the following:

**Title:** A brief, descriptive phrase identifying the topic of the Reliability Standard.

**Number:** A unique identification number assigned in accordance with a published classification system to facilitate tracking and reference to the Reliability Standards.<sup>4</sup>

**Purpose:** The reliability outcome achieved through compliance with the Requirements of the Reliability Standard.

**Applicability:** Identifies the specific Functional Entities and Facilities to which the Reliability Standard applies.

**Effective Dates:** Identification of the date or pre-conditions determining when each Requirement becomes effective in each jurisdiction.

**Requirement:** An explicit statement that identifies the Functional Entity responsible, the action or outcome that must be achieved, any conditions achieving the action or outcome, and the reliability-related benefit of the action or outcome. Each Requirement shall be a statement for which compliance is mandatory.

**Compliance Elements:** Elements to aid in the administration of ERO compliance monitoring and enforcement responsibilities.<sup>5</sup>

- **Measure:** Provides identification of the evidence or types of evidence that may demonstrate compliance with the associated requirement.
- **Violation Risk Factors and Violation Severity Levels:** Violation risk factors (VRFs) and violation severity levels (VSLs) are used as factors when determining the size of a penalty or sanction associated with the

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<sup>4</sup> Reliability Standards shall be numbered in accordance with the NERC Standards Numbering Convention as provided on the Reliability Standards Resources web page.

<sup>5</sup> It is the responsibility of the ERO staff to develop compliance tools for each standard; these tools are not part of the standard but are referenced in this manual because the preferred approach to developing these tools is to use a transparent process that leverages the technical and practical expertise of the drafting team and ballot pool.

violation of a requirement in an approved Reliability Standard.<sup>6</sup> Each requirement in each Reliability Standard has an associated VRF and a set of VSLs. VRFs and VSLs are developed by the drafting team, working with NERC Staff, at the same time as the associated Reliability Standard, but are not part of the Reliability Standard. The Board of Trustees is responsible for approving VRFs and VSLs.

- **Violation Risk Factors**

VRFs identify the potential reliability significance of noncompliance with each requirement. Each requirement is assigned a VRF in accordance with the latest approved set of VRF criteria.<sup>7</sup>

- **Violation Severity Levels**

VSLs define the degree to which compliance with a requirement was not achieved. Each requirement shall have at least one VSL. While it is preferable to have four VSLs for each requirement, some requirements do not have multiple “degrees” of noncompliant performance and may have only one, two, or three VSLs. Each requirement is assigned one or more VSLs in accordance with the latest approved set of VSL criteria.<sup>8</sup>

**Version History:** The version history is provided for informational purposes and lists information regarding prior versions of Reliability Standards.

**Variance:** A Requirement (to be applied in the place of the continent-wide Requirement) that is applicable to a specific geographic area or to a specific set of Registered Entities.

**Compliance Enforcement Authority:** The entity that is responsible for assessing performance or outcomes to determine if an entity is compliant with the associated Reliability Standard. The Compliance Enforcement Authority will be NERC or the Regional Entity in their respective roles of monitoring and enforcing compliance with the NERC Reliability Standards.

The only mandatory and enforceable components of a Reliability Standard are the: (1) applicability, (2) Requirements, and the (3) effective dates. The additional components are included in the Reliability Standard for informational purposes and to provide guidance to Functional Entities concerning how compliance will be assessed by the Compliance Enforcement Authority.

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<sup>6</sup> The *Sanction Guidelines of the North American Electric Reliability Corporation* identifies the factors used to determine a penalty or sanction for violation of a Reliability Standard and is posted on the NERC web site.

<sup>7</sup> The latest set of approved VRF Criteria is posted on the Reliability Standards Resources web page.

<sup>8</sup> The latest set of approved VSL Criteria is posted on the Reliability Standards Resources web page.

## Section 3.0: Reliability Standards Program Organization

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### 3.1: Board of Trustees

The NERC Board of Trustees shall consider for adoption Reliability Standards, definitions, Variances and Interpretations and associated implementation plans that have been developed according to this manual. Once the Board adopts a Reliability Standard, definition, Variance or Interpretation, the Board shall direct NERC Staff to file the document(s) for approval with Applicable Governmental Authorities.

### 3.2: Registered Ballot Body

The Registered Ballot Body comprises all entities or individuals that qualify for one of the Segments approved by the Board of Trustees<sup>9</sup>, and are registered with NERC as potential ballot participants in the voting on Reliability Standards. Each member of the Registered Ballot Body is eligible to join the ballot pool for each Reliability Standard action.

### 3.3: Ballot Pool

Each Reliability 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 request to participate in that particular Reliability Standard action. The ballot pool votes on each Reliability Standards action. The ballot pool remains in place until all balloting related to that Reliability Standard action has been completed.

### 3.4: Standards Committee

The Standards Committee serves at the pleasure and direction of the NERC Board of Trustees, and the Board approves the Standards Committee's Charter.<sup>10</sup> The composition of the Standards Committee and the election of its members is set forth in Appendix 3B to the NERC Rules of Procedure, *Procedures for Election of Members of the Standards Committee*.

The Standards Committee is responsible for managing the Reliability Standards processes for development of Reliability Standards, definitions, Variances and Interpretations in accordance with this manual. The responsibilities of the Standards Committee are defined in detail in the Standards Committee's Charter. The Standards Committee is responsible for ensuring that the Reliability Standards, definitions, Variances and Interpretations developed by drafting teams are developed in accordance with the processes in this manual and meet NERC's benchmarks for Reliability Standards as well as criteria for governmental approval.<sup>12</sup>

The Standards Committee has the right to remand work to a drafting team, to reject the work of a drafting team, or to accept the work of a drafting team. The Standards Committee may disband a drafting team if it determines (a) that the drafting team is not producing a standard in a timely manner; (b) the drafting team is not able to produce a standard that will achieve industry consensus; (c) the drafting team has not addressed the scope of the SAR; or (d) the drafting team has failed to fully address a regulatory directive or otherwise provided a responsive or equally efficient and effective alternative. The Standards Committee may direct a drafting team to revise its work to follow the processes in this manual or to meet the criteria for NERC's benchmarks for Reliability Standards, or to meet the criteria for governmental approval; however, the Standards Committee shall not direct a drafting team to change the technical content of a draft Reliability Standard.

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<sup>9</sup> The industry Segment qualifications are described in the Development of the Registered Ballot Body and Segment Qualification Guidelines document posted on the Reliability Standards Resources web page and are included in Appendix 3D of the NERC Rules of Procedure.

<sup>10</sup> The Standards Committee Charter is posted on the Reliability Standards Resources web page.

<sup>12</sup> The *Ten Benchmarks of an Excellent Reliability Standard* and FERC's Criteria for Approving Reliability Standards are posted on the Reliability Standards Resources web page.

The Standards Committee shall meet at regularly scheduled intervals (either in person, or by other means). All Standards Committee meetings are open to all interested parties.

### 3.5: NERC Reliability Standards Staff

The NERC Reliability Standards Staff, led by the Director of Standards,<sup>13</sup> is responsible for administering NERC's Reliability Standards processes in accordance with this manual. The NERC Reliability Standards Staff provides support to the Standards Committee in managing the Reliability Standards processes and in supporting the work of all drafting teams. The NERC Reliability Standards Staff works to ensure the integrity of the Reliability Standards processes and consistency of quality and completeness of the Reliability Standards. The NERC Reliability Standards Staff facilitates all steps in the development of Reliability Standards, definitions, Variances, Interpretations and associated implementation plans.

The NERC Reliability Standards Staff is responsible for presenting Reliability Standards, definitions, Variances, and Interpretations to the NERC Board of Trustees for adoption. When presenting Reliability Standards-related documents to the NERC Board of Trustees for adoption or approval, the NERC Reliability Standards Staff shall report the results of the associated stakeholder ballot, including identification of unresolved stakeholder objections and an assessment of the document's practicality and enforceability.

### 3.6: Drafting Teams

The Standards Committee shall appoint industry experts to drafting teams to work with stakeholders in developing and refining Standard Authorization Requests ("SARs"), Reliability Standards, definitions, Variances, and Interpretations.. The NERC Reliability Standards Staff shall provide, or solicit from the industry, essential support for each of the drafting teams in the form of technical writers, legal, compliance, and rigorous and highly trained project management and facilitation support personnel.

Each drafting team may consist of a group of technical, legal, and compliance experts that work cooperatively with the support of the NERC Reliability Standards Staff.<sup>14</sup> The technical experts provide the subject matter expertise and guide the development of the technical aspects of the Reliability Standard, assisted by technical writers, legal and compliance experts. The technical experts maintain authority over the technical details of the Reliability Standard. Each drafting team appointed to develop a Reliability Standard is responsible for following the processes identified in this manual as well as procedures developed by the Standards Committee from the inception of the assigned project through the final acceptance of that project by Applicable Governmental Authorities.

Collectively, each drafting team:

- Drafts proposed language for the Reliability Standards, definitions, Variances, and/or Interpretations and associated implementation plans.
- Develops and refines technical documents that aid in the understanding of Reliability Standards.
- Works collaboratively with NERC Compliance Monitoring and Enforcement Staff to develop Reliability Standard Audit Worksheets ("RSAWs") at the same time Reliability Standards are developed.
- Provides assistance to NERC Staff in the development of Compliance Elements of proposed Reliability Standards.

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<sup>13</sup> The Director of Standards may delegate its authority to perform certain responsibilities specified in this manual to another member of the NERC Reliability Standards staff.

<sup>14</sup> The detailed responsibilities of drafting teams are outlined in the Drafting Team Guidelines, which is posted on the Reliability Standards Resources web page.

- Solicits, considers, and responds to comments related to the specific Reliability Standards development project.
- Participates in industry forums to help build consensus on the draft Reliability Standards, definitions, Variances, and/or Interpretations and associated implementation plans.
- Assists in developing the documentation used to obtain governmental approval of the Reliability Standards, definitions, Variances, and/or Interpretations and associated implementation plans.

All drafting teams report to the Standards Committee.

### **3.7: Governmental Authorities**

FERC in the United States of America, and where permissible by statute or regulation, the federal or provincial governments of other North American jurisdictions that have recognized NERC as the ERO have the authority to approve each new, revised or withdrawn Reliability Standard, definition, Variance, VRF, VSL and Interpretation following adoption or approval by the NERC Board of Trustees.

### **3.8: Committees, Subcommittees, Working Groups, and Task Forces**

NERC's technical committees, subcommittees, working groups, and task forces provide technical research and analysis used to justify the development of new Reliability Standards and provide guidance, when requested by the Standards Committee, in overseeing field tests or collection and analysis of data. The technical committees, subcommittees, working groups, and task forces provide feedback to drafting teams during both informal and formal comment periods.

The Standards Committee may request that a NERC technical committee or other group prepare a technical document to support development of a proposed Reliability Standard.

The technical committees, subcommittees, working groups, and task forces share their observations regarding the need for new or modified Reliability Standards or Requirements with the NERC Reliability Standards Staff for use in identifying the need for new Reliability Standards projects for the three-year *Reliability Standards Development Plan*.

### **3.9: Compliance and Certification Committee**

The Compliance and Certification Committee is responsible for monitoring NERC's compliance with its Reliability Standards processes and procedures and for monitoring NERC's compliance with the Rules of Procedure regarding the development of new or revised Reliability Standards, definitions, Variances, and Interpretations. The Compliance and Certification Committee may assist in verifying that each proposed Reliability Standard is enforceable as written before the Reliability Standard is posted for formal stakeholder comment and balloting.

### **3.10: Compliance Monitoring and Enforcement Program**

As applicable, the NERC Compliance Monitoring and Enforcement Program Staff manages and enforces compliance with approved Reliability Standards. Compliance Monitoring and Enforcement Staff are responsible for the development of select compliance tools. The drafting team and the Compliance Monitoring and Enforcement Program Staff shall work together during the Reliability Standard development process to ensure an accurate and consistent understanding of the Requirements and their intent, and to ensure that applicable compliance tools accurately reflect that intent. The goal of this collaboration is to ensure that application of the Reliability Standards in the Compliance Monitoring and Enforcement Program by NERC and the Regional Entities is consistent.

The Compliance Monitoring and Enforcement Program is encouraged to share its observations regarding the need for new or modified Requirements with the NERC Reliability Standards Staff for use in identifying the need for new Reliability Standards projects.

### **3.11: North American Energy Standards Board (“NAESB”)**

While NERC has responsibility for developing Reliability Standards to support reliability, NAESB has responsibility for developing business practices and coordination between reliability and business practices as needed. NERC and NAESB developed and approved a procedure<sup>15</sup> to guide the development of Reliability Standards and business practices where the reliability and business practice components are intricately entwined within a proposed Reliability Standard.

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<sup>15</sup> The NERC NAESB Template Procedure for Joint Standards Development and Coordination is posted on the Reliability Standards Resources web page.

## Section 4.0: Process for Developing, Modifying, Withdrawing or Retiring a Reliability Standard

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There are several steps to the development, modification, withdrawal or retirement of a Reliability Standard.<sup>16</sup>

The development of the *Reliability Standards Development Plan* is the appropriate forum for reaching agreement on whether there is a need for a Reliability Standard and the scope of a proposed Reliability Standard. A typical process for a project identified in the *Reliability Standards Development Plan* that involves a revision to an existing Reliability Standard is shown below. Note that most projects do not include a field test.

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<sup>16</sup> The process described is also applicable to projects used to propose a new or modified definition or Variance or to propose retirement of a definition or Variance.



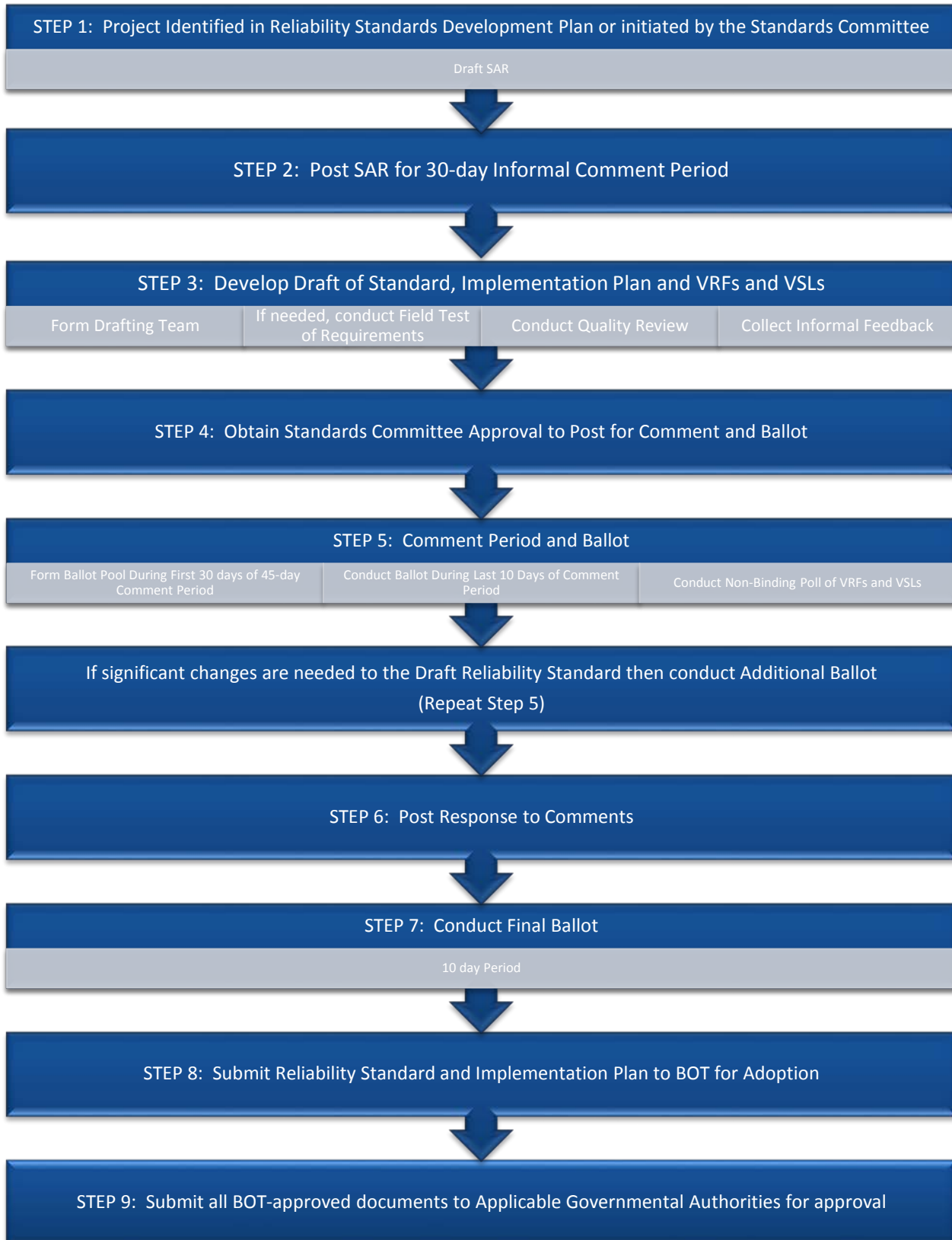


FIGURE 1: Process for Developing or Modifying a Reliability Standard

## 4.1: Posting and Collecting Information on SARs

### Standard Authorization Request

A Standard Authorization Request (“SAR”) is the form used to document the scope and reliability benefit of a proposed project for one or more new or modified Reliability Standards or definitions or the benefit of retiring one or more approved Reliability Standards. Any entity or individual, including NERC committees or subgroups and NERC Staff, may propose the development of a new or modified Reliability Standard, or may propose the retirement of a Reliability Standard (in whole or in part), by submitting a completed SAR to the NERC Reliability Standards Staff.<sup>18</sup> The Standards Committee has the authority to approve the posting of all SARs for projects that propose (i) developing a new or modified Reliability Standard or definition or (ii) propose retirement of an existing Reliability Standard (or elements thereof).

The NERC Reliability Standards Staff sponsors an open solicitation period each year seeking ideas for new Reliability Standards projects (using *Reliability Standards Suggestions and Comments forms*). The open solicitation period is held in conjunction with the annual revision to the *Reliability Standards Development Plan*. While the Standards Committee prefers that ideas for new projects be submitted during this annual solicitation period through submittal of a *Reliability Standards Suggestions and Comments Form*,<sup>19</sup> a SAR proposing a specific project may be submitted to the NERC Reliability Standards Staff at any time.

Each SAR that proposes a “new” or substantially revised Reliability Standard or definition should be accompanied by a technical justification that includes, as a minimum, a discussion of the reliability-related benefits and costs of developing the new Reliability Standard or definition, and a technical foundation document (*e.g.*, research paper) to guide the development of the Reliability Standard or definition. The technical document should address the engineering, planning and operational basis for the proposed Reliability Standard or definition, as well as any alternative approaches considered during SAR development.

The NERC Reliability Standards Staff shall review each SAR and work with the submitter to verify that all required information has been provided. All properly completed SARs shall be submitted to the Standards Committee for action at the next regularly scheduled Standards Committee meeting.

When presented with a SAR, the Standards Committee shall determine if the SAR is sufficiently complete to guide Reliability Standard development and whether the SAR is consistent with this manual. The Standards Committee shall take one of the following actions:

- Accept the SAR.
- Remand the SAR back to the requestor or to NERC Reliability Standards Staff for additional work.
- Reject the SAR. The Standards Committee may reject a SAR for good cause. If the Standards Committee rejects a SAR, it shall provide a written explanation for rejection to the sponsor within ten days of the rejection decision.
- Delay action on the SAR pending one of the following: (i) development of a technical justification for the proposed project; or (ii) consultation with another NERC Committee to determine if there is another approach to addressing the issue raised in the SAR.

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<sup>18</sup> The SAR form is available on the Reliability Standards Resources web page.

<sup>19</sup> The *Reliability Standards Suggestions and Comments Form* can be downloaded from the Reliability Standards Resources web page.

If the Standards Committee is presented with a SAR that proposes developing a new Reliability Standard or definition but does not have a technical justification upon which the Reliability Standard or definition can be developed, the Standards Committee shall direct the NERC Reliability Standards Staff to post the SAR for a 30-day comment period solely to collect stakeholder feedback on the scope of technical foundation, if any, needed to support the proposed project. If a technical foundation is determined to be necessary, the Standards Committee shall solicit assistance from NERC's technical committees or other industry experts to provide that foundation before authorizing development of the associated Reliability Standard or definition.

During the SAR comment process, the drafting team may become aware of potential regional Variances related to the proposed Reliability 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 shall be made a part of the draft new or revised Reliability Standard.

If the Standards Committee accepts a SAR, the project shall be added to the list of approved projects. The Standards Committee shall assign a priority to the project, relative to all other projects under development, and those projects already identified in the *Reliability Standards Development Plan* that are already approved for development.

The Standards Committee shall work with the NERC Reliability Standards Staff to coordinate the posting of SARs for new projects, giving consideration to each project's priority.

## 4.2: SAR Posting

When the Standards Committee determines it is ready to initiate a new project, the Standards Committee shall direct NERC Staff to post the project's SAR in accordance with the following:

- For SARs that are limited to addressing regulatory directives, or revisions to Reliability Standards that have had some vetting in the industry, authorize posting the SAR for a 30-day informal comment period with no requirement to provide a formal response to the comments received.
- For SARs that address the development of new projects or Reliability Standards, authorize posting the SAR for a 30-day formal comment period.

If a SAR for a new Reliability Standard is posted for a formal comment period, the Standards Committee shall appoint a drafting team to work with the NERC Staff coordinator to give prompt consideration of the written views and objections of all participants. The Standards Committee may use a public nomination process to populate the Reliability Standard drafting team, or may use another method that results in a team that collectively has the necessary technical expertise and work process skills to meet the objectives of the project. In some situations, an *ad hoc* team may already be in place with the requisite expertise, competencies, and diversity of views that are necessary to refine the SAR and develop the Reliability Standard, and additional members may not be needed. The drafting team shall address all comments submitted during the public posting period. The drafting team may address the comments in the form of a summary response addressing each of the issues raised in comments. 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. If the drafting team concludes that there is not sufficient stakeholder support to continue to refine the SAR, the team may recommend that the Standards Committee direct curtailment of work on the SAR.

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. The Standards Committee shall notify the sponsor in writing of the rejection within 10 days.

If stakeholders indicate support for the project proposed with the SAR, the drafting team shall present its work to the Standards Committee with a request that the Standards Committee authorize development of the associated Reliability Standard.

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

- Authorize drafting the proposed Reliability Standard or revisions to a Reliability Standard.
- Reject the SAR with a written explanation to the sponsor and post that explanation.

### 4.3: Form Drafting Team

When the Standards Committee is ready to have a drafting team begin work on developing a new or revised Reliability Standard, the Standards Committee shall appoint a drafting team, if one was not already appointed to develop the SAR. If the Standards Committee appointed a drafting team to refine the SAR, the same drafting team shall work to develop the associated Reliability Standard.

If no drafting team is in place, then the Standards Committee may use a public nomination process to populate the Reliability Standard drafting team, or may use another method that results in a team that collectively has the necessary technical expertise, diversity of views, and work process skills to accomplish the objectives of the project on a timely basis. In some situations, an ad hoc team may already be in place with the requisite expertise, competencies, and diversity of views that are necessary to develop the Reliability Standard, and additional members may not be needed.

The NERC Reliability Standards Staff shall provide one or more members as needed to support the team with facilitation, project management, compliance, legal, regulatory and technical writing expertise and shall provide administrative support to the team, guiding the team through the steps in completing its project. In developing the Reliability Standard, the individuals provided by the NERC Reliability Standards Staff serve as advisors to the drafting team and do not have voting rights but share accountability along with the drafting team members assigned by the Standards Committee for timely delivery of a final draft Reliability Standard that meets the quality attributes identified in NERC's *Ten Benchmarks of an Excellent Reliability Standard*. The drafting team members assigned by the Standards Committee shall have final authority over the technical details of the Reliability Standard, while the technical writer shall provide assistance to the drafting team in assuring that the final draft of the Reliability Standard meets the quality attributes identified in NERC's *Ten Benchmarks of an Excellent Reliability Standard*.

Once it is appointed by the Standards Committee, the Reliability Standard drafting team is responsible for making recommendations to the Standards Committee regarding the remaining steps in the Reliability Standards process. Consistent with the need to provide for timely standards development, the Standards Committee may decide a project is so large that it should be subdivided and either assigned to more than one drafting team or assigned to a single drafting team with clear direction on completing the project in specified phases. The normally expected timeframes for standards development within the context of this manual are applicable to individual standards and not to projects containing multiple standards. Alternatively, a single drafting team may address the entire project with a commensurate increase in the expected duration of the development work. If a SAR is subdivided and assigned to more than one drafting team, each drafting team will have a clearly defined portion of the work such that there are no overlaps and no gaps in the work to be accomplished.

The Standards Committee may supplement the membership of a Reliability Standard drafting team or provide for additional advisors, as appropriate, to ensure the necessary competencies and diversity of views are maintained throughout the Reliability Standard development effort.

## 4.4: Develop Preliminary Draft of Reliability Standard, Implementation Plan, and VRFs and VSLs

### 4.4.1: Project Schedule

When a drafting team begins its work, either in refining a SAR or in developing or revising a proposed Reliability Standard, the drafting team shall develop a project schedule which shall be approved by the Standards Committee. The drafting team shall report progress to the Standards Committee, against the initial project schedule and any revised schedule as requested by the Standards Committee. Where project milestones cannot be completed on a timely basis, modifications to the project schedule must be presented to the Standards Committee for consideration along with proposed steps to minimize unplanned project delays.

### 4.4.2: Draft Reliability Standard

The team shall develop a Reliability Standard that is within the scope of the associated SAR that includes all required elements as described earlier in this manual and that meets the quality attributes identified in NERC's *Ten Benchmarks of an Excellent Reliability Standard*, with a goal of meeting the criteria for governmental approval.

The drafting team may, at its discretion, develop one or more supporting technical documents to help explain or facilitate understanding of the draft Reliability Standard, implementation plan, VSL, or VRF. These supporting technical documents may include, among other things: (1) reference documents designed to provide the drafting team's technical rationale, analysis, or explanatory information to support the understanding of the draft Reliability Standard or related element; or (2) white papers designed to explain a technical position or concept underlying the draft Reliability Standard or related element. Such documents may be posted during an informal comment period (Section 4.5) or formal comment period (Section 4.7).

### 4.4.3: Implementation Plan

As a drafting team drafts its proposed revisions to a Reliability Standard, that team is also required to develop an implementation plan to identify any factors for consideration when approving the proposed effective date or dates for the associated Reliability Standard or Standards. As a minimum, the implementation plan shall include the following:

- The proposed effective date (the date entities shall be compliant) for the Requirements.
- Identification of any new or modified definitions that are proposed for approval with the associated Reliability Standard.
- Whether there are any prerequisite actions that need to be accomplished before entities are held responsible for compliance with one or more of the Requirements.
- Whether approval of the proposed Reliability Standard will necessitate any conforming changes to any already approved Reliability Standards – and identification of those Reliability Standards and Requirements.
- The Functional Entities that will be required to comply with one or more Requirements in the proposed Reliability Standard.

A single implementation plan may be used for more than one Reliability Standard. The implementation plan is posted with the associated Reliability Standard or Standards during the 45 day formal comment period and is balloted with the associated Reliability Standard.

### 4.4.4: Violation Risk Factors and Violation Severity Levels

The drafting team shall work with NERC Staff in developing a set of VRFs and VSLs that meet the latest criteria established by NERC and Applicable Governmental Authorities. The drafting team shall document its justification for selecting each VRF and for setting each set of proposed VSLs by explaining how its proposed VRFs and VSLs meet

these criteria. NERC Staff is responsible for ensuring that the VRFs and VSLs proposed for stakeholder review meet these criteria.

Before the drafting team has finalized its Reliability Standard, implementation plan, and VRFs and VSLs, the team should seek stakeholder feedback on its preliminary draft documents.

#### **4.5: Informal Feedback<sup>20</sup>**

Drafting teams may use a variety of methods to collect informal stakeholder feedback on preliminary drafts of its documents, including the use of informal comment periods,<sup>21</sup> webinars, industry meetings, workshops, or other mechanisms. Information gathered from informal comment forms shall be publicly posted. While drafting teams are not required to provide a written response to each individual comment received, drafting teams are encouraged, where possible, to post a summary response that identifies how it used comments submitted by stakeholders. Drafting teams are encouraged, where possible, to reach out directly to individual stakeholders in order to facilitate resolution of identified stakeholder concerns. The intent is to gather stakeholder feedback on a “working document” before the document reaches the point where it is considered the “final draft.”

#### **4.6: Conduct Quality Review**

The NERC Reliability Standards Staff shall coordinate a quality review of the Reliability Standard, implementation plan, and VRFs and VSLs in parallel with the development of the Reliability Standard and implementation plan, to assess whether the documents are within the scope of the associated SAR, whether the Reliability Standard is clear and enforceable as written, and whether the Reliability Standard meets the criteria specified in NERC’s *Ten Benchmarks of an Excellent Reliability Standard* and criteria for governmental approval of Reliability Standards. The drafting team shall consider the results of the quality review, decide upon appropriate changes, and recommend to the Standards Committee whether the documents are ready for formal posting and balloting.

The Standards Committee shall authorize posting the proposed Reliability Standard, and implementation plan for a formal comment period and ballot and the VRFs and VSLs for a non-binding poll as soon as the work flow will accommodate.

If the Standards Committee finds that any of the documents do not meet the specified criteria, the Standards Committee shall remand the documents to the drafting team for additional work.

If the Reliability Standard is outside the scope of the associated SAR, the drafting team shall be directed to either revise the Reliability Standard so that it is within the approved scope, or submit a request to expand the scope of the approved SAR. If the Reliability Standard is not clear and enforceable as written, or if the Reliability Standard does not meet the specified criteria, the Reliability Standard shall be returned to the drafting team by the Standards Committee with specific identification of any Requirement that is deemed to be unclear or unenforceable as written.

#### **4.7: Conduct Formal Comment Period and Ballot**

Proposed new or modified Reliability Standards require a formal comment period where the new or modified Reliability Standard, implementation plan and associated VRFs and VSLs or the proposal to retire a Reliability Standard, implementation plan, and associated VRFs and VSLs are posted.

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<sup>20</sup> While this discussion focuses on collecting stakeholder feedback on proposed Reliability Standards and implementation plans, the same process is used to collect stakeholder feedback on proposed new or modified Interpretations, definitions and Variances.

<sup>21</sup> The term “informal comment period” refers to a comment period conducted outside of the ballot process and where there is no requirement for a drafting team to respond in writing to submitted comments.

The formal comment period shall be at least 45-days long. Formation of the ballot pool and Ballot of the Reliability Standard take place during this formal 45-day comment period. The intent of the formal comment period(s) is to solicit very specific feedback on the final draft of the Reliability Standard, implementation plan and VRFs and VSLs.

Comments in written form may be submitted on a draft Reliability Standard by any interested stakeholder, including NERC Staff, FERC Staff, and other interested governmental authorities. If stakeholders disagree with some aspect of the proposed set of products, comments provided should explain the reasons for such disagreement and, where possible, suggest specific language that would make the product acceptable to the stakeholder.

#### **4.8: Form Ballot Pool**

The NERC Reliability Standards Staff shall establish a ballot pool during the first 30 days of the 45-day formal comment period. The NERC Reliability Standards Staff shall post the proposed Reliability Standard, along with its implementation plan, VRFs and VSLs and shall send a notice to every entity in the Registered Ballot Body to provide notice that there is a new or revised Reliability Standard proposed for approval and to solicit participants for the associated ballot pool. All members of the Registered Ballot Body are eligible to join each ballot pool to vote on a new or revised Reliability Standard and its implementation plan and to participate in the non-binding poll of the associated VRFs and VSLs.

Any member of the Registered Ballot Body may join or withdraw from the ballot pool until the ballot window opens. No Registered Ballot Body member may join or withdraw from the ballot pool once the first ballot starts through the point in time where balloting for that Reliability Standard action has ended. The Director of Standards or its designee may authorize deviations from this rule for extraordinary circumstances such as the death, retirement, or disability of a ballot pool member that would prevent an entity that had a member in the ballot pool from eligibility to cast a vote during the ballot window. Any authorized deviation shall be documented and noted to the Standards Committee.

#### **4.9: Conduct Ballot and Non-binding Poll of VRFs and VSLs<sup>22</sup>**

The NERC Reliability Standards Staff shall announce the opening of the Ballot window and the non-binding poll of VRFs and VSLs. The Ballot window and non-binding poll of VRFs and VSLs shall take place during the last 10 days of the 45-day formal comment period and for the Final Ballot shall be no less than 10 days. If the last day of the ballot window falls on a Saturday or Sunday, the period does not end until the next business day.<sup>23</sup>

The ballot and non-binding poll shall be conducted electronically. The voting window shall be for a period of 10 days but shall be extended, if needed, until a quorum is achieved. During a ballot window, NERC shall not sponsor or facilitate public discussion of the Reliability Standard action under ballot.

There is no requirement to conduct a new non-binding poll of the revised VRFs and VSLs if no changes were made to the associated standard, however if the requirements are modified and conforming changes are made to the associated VRFs and VSLs, another non-binding poll of the revised VRFs and VSLs shall be conducted.

#### **4.10: Criteria for Ballot Pool Approval**

Ballot pool approval of a Reliability Standard requires:

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<sup>22</sup> While RSAWs are not part of the Reliability Standard, they are developed through collaboration of the SDT and NERC Compliance Staff. A non-binding poll, similar to what is done for VRFs and VSLs may be conducted for the RSAW developed through this process to gauge industry support for the companion RSAW to be provided for informational purposes to the NERC Board of Trustees.

<sup>23</sup> Closing dates may be extended as deemed appropriate by NERC Staff.

A quorum, which is established by at least 75% of the members of the ballot pool submitting a response; and

A two-thirds majority of the weighted Segment votes cast shall be affirmative. The number of votes cast is the sum of affirmative votes and negative votes with comments. This calculation of votes for the purpose of determining consensus excludes (i) abstentions, (ii) non-responses, and (iii) negative votes without comments.

The following process<sup>24</sup> is used to determine if there are sufficient affirmative votes.

- For each Segment with ten or more voters, the following process shall be used: The number of affirmative votes cast shall be divided by the sum of affirmative and negative votes with comments cast to determine the fractional affirmative vote for that Segment. Abstentions, non-responses, and negative votes without comments shall not be counted for the purposes of determining the fractional affirmative vote for a Segment.
- For each Segment with less than ten voters, the vote weight of that Segment shall be proportionally reduced. Each voter within that Segment voting affirmative or negative with comments shall receive a weight of 10% of the Segment vote.
- The sum of the fractional affirmative votes from all Segments divided by the number of Segments voting<sup>25</sup> shall be used to determine if a two-thirds majority has been achieved. (A Segment shall be considered as “voting” if any member of the Segment in the ballot pool casts either an affirmative vote or a negative vote with comments.)
- A Reliability Standard shall be approved if the sum of fractional affirmative votes from all Segments divided by the number of voting Segments is at least two thirds.

## 4.11: Voting Positions

Each member of the ballot pool may **only** vote one of the following positions on the Ballot and Additional Ballot(s):

- Affirmative;
- Affirmative, with comment;
- Negative with comments;
- Abstain.

Given that there is no formal comment period concurrent with the Final Ballot, each member of the ballot pool may **only** vote one of the following positions on the Final Ballot:

- Affirmative;
- Negative;<sup>26</sup>
- Abstain.

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<sup>24</sup> Examples of weighted segment voting calculation are posted on the Reliability Standards Resources web page.

<sup>25</sup> 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.

<sup>26</sup> The Final Ballot is used to confirm consensus achieved during the Formal Comment and Ballot stage. Ballot Pool members voting negative on the Final Ballot will be deemed to have expressed the reason for their negative ballot in their own comments or the comments of others during prior Formal Comment periods.



## 4.12: Consideration of Comments and Additional Ballots

A drafting team must respond in writing to every stakeholder written comment submitted in response to a ballot prior to conducting a Final Ballot. These responses may be provided in summary form, but all comments and objections must be responded to by the drafting team. All comments received and all responses shall be publicly posted.

If a stakeholder or balloter proposes a significant revision to a Reliability Standard during the formal comment period or concurrent Ballot that will improve the quality, clarity, or enforceability of that Reliability Standard, then the drafting team may choose to make such revisions and post the revised Reliability Standard for another 45-day public comment period and ballot. A drafting team is not required to respond in writing to comments to the previous ballot when it determines that significant changes are needed and an Additional Ballot will be conducted. Prior to posting the revised Reliability Standard for an additional comment period, the drafting team must communicate this decision to stakeholders. This communication is intended to inform stakeholders that the drafting team has identified that significant revisions to the Reliability Standard are necessary and should note that the drafting team is not required to respond in writing to comments from the previous ballot. The drafting team will respond to comments received in the last Additional Ballot prior to conducting a Final Ballot.

There are no limits to the number of public comment periods and ballots that can be conducted to result in a Reliability Standard or interpretation that is clear and enforceable, and achieves a quorum and sufficient affirmative votes for approval. The Standards Committee has the authority to conclude this process for a particular Reliability Standards action if it becomes obvious that the drafting team cannot develop a Reliability Standard that is within the scope of the associated SAR, is sufficiently clear to be enforceable, and achieves the requisite weighted Segment approval percentage.

## 4.13: Conduct Final Ballot

When the drafting team has reached a point where it has made a good faith effort at resolving applicable objections and is not making any substantive changes from the previous ballot, the team shall conduct a “Final Ballot.” A non-substantive revision is a revision that does not change the scope, applicability, or intent of any Requirement and includes but is not limited to things such as correcting the numbering of a Requirement, correcting the spelling of a word, adding an obviously missing word, or rephrasing a Requirement for improved clarity. Where there is a question as to whether a proposed modification is “substantive,” the Standards Committee shall make the final determination.

In the Final Ballot, members of the ballot pool shall again be presented the proposed Reliability Standard along with the reasons for negative votes from the previous ballot, the responses of the drafting team to those concerns, and any resolution of the differences.

All members of the ballot pool shall be permitted to reconsider and change their vote from the prior ballot. Members of the ballot pool who did not respond to the prior ballot shall be permitted to vote in the Final Ballot. In the Final Ballot, votes shall be counted by exception only — members on the Final Ballot may indicate a revision to their original vote; otherwise their vote shall remain the same as in their prior ballot.

There is no formal comment period concurrent with the Final Ballot and no obligation for the drafting team to respond to any comments submitted during the Final Ballot.

## 4.14: Final Ballot Results

The NERC Reliability Standards Staff shall post the final outcome of the ballot process. If the Reliability Standard is rejected, the Standards Committee may decide whether to end all further work on the proposed standard, return the project to informal development, or continue holding ballots to attempt to reach consensus on the proposed standard. If the Reliability Standard is approved, the Reliability Standard shall be posted and presented to the Board

of Trustees by NERC management for adoption and subsequently filed with Applicable Governmental Authorities for approval.

#### **4.15: Board of Trustees Adoption of Reliability Standards, Implementation Plan and VRFs and VSLs**

If a Reliability Standard and its associated implementation plan are approved by its ballot pool, the Board of Trustees shall consider adoption of that Reliability Standard and its associated implementation plan and shall direct the standard to be filed with Applicable Governmental Authorities for approval. In making its decision, the Board shall consider the results of the balloting and unresolved dissenting opinions. The Board shall adopt or reject a Reliability Standard and its implementation plan, but shall not modify a proposed Reliability Standard. If the Board chooses not to adopt a Reliability Standard, it shall provide its reasons for not doing so.

The Board shall consider approval of the VRFs and VSLs associated with a Reliability Standard. In making its determination, the board shall consider the following:

- The Standards Committee shall present the results of the non-binding poll conducted and a summary of industry comments received on the final posting of the proposed VRFs and VSLs.
- NERC Staff shall present a set of recommended VRFs and VSLs that considers the views of the standard drafting team, stakeholder comments received on the draft VRFs and VSLs during the posting for comment process, the non-binding poll results, appropriate governmental agency rules and directives, and VRF and VSL assignments for other Reliability Standards to ensure consistency and relevance across the entire spectrum of Reliability Standards.

#### **4.16: Compliance**

For a Reliability Standard to be enforceable, it shall be approved by its ballot pool, adopted by the NERC Board of Trustees, and approved by Applicable Governmental Authorities, unless otherwise approved by the NERC Board of Trustees pursuant to the NERC Rules of Procedure (*e.g.*, Section 321) and approved by Applicable Governmental Authorities. Once a Reliability Standard is approved or otherwise made mandatory by Applicable Governmental Authorities, all persons and organizations subject to jurisdiction of the ERO will be required to comply with the Reliability Standard in accordance with applicable statutes, regulations, and agreements.

#### **4.17: Withdrawal of a Reliability Standard, Interpretation, or Definition**

The term “withdrawal” as used herein, refers to the discontinuation of a Reliability Standard, Interpretation, Variance or definition that has been approved by the Board of Trustees and (1) has not been filed with Applicable Governmental Authorities, or (2) has been filed with, but not yet approved by, Applicable Governmental Authorities. The Standards Committee may withdraw a Reliability Standard, Interpretation or definition for good cause upon approval by the Board of Trustees. Upon approval by the Board of Trustees, NERC Staff will petition the Applicable Governmental Authorities, as needed, to allow for withdrawal. The Board of Trustees also has an independent right of withdrawal that is unaffected by the terms and conditions of this Section.

#### **4.18: Retirement of a Reliability Standard, Interpretation, or Definition**

The term “retirement” refers to the discontinuation of a Reliability Standard, Interpretation or definition that has been approved by Applicable Governmental Authorities. A Reliability Standard, Variance or Definition may be retired when it is superseded by a revised version, and in such cases the retirement of the earlier version is to be noted in the implementation plan presented to the ballot pool for approval and the retirement shall be considered approved by the ballot pool upon ballot pool approval of the revised version.

Upon identification of a need to retire a Reliability Standard, Variance, Interpretation or definition, where the item will not be superseded by a new or revised version, a SAR containing the proposal to retire a Reliability Standard, Variance, Interpretation or definition will be posted for a comment period and ballot in the same manner as a Reliability Standard. The proposal shall include the rationale for the retirement and a statement regarding the impact of retirement on the reliability of the Bulk Power System. Upon approval by the Board of Trustees, NERC Staff will petition the Applicable Governmental Authorities to allow for retirement.

## Section 5.0: Process for Developing a Defined Term

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NERC maintains a glossary of approved terms, entitled the *Glossary of Terms Used in NERC Reliability Standards*<sup>27</sup> (“Glossary of Terms”). The Glossary of Terms includes terms that have been through the formal approval process and are used in one or more NERC Reliability Standards. Definitions shall not contain statements of performance Requirements. The Glossary of Terms is intended to provide consistency throughout the Reliability Standards.

There are several methods that can be used to add, modify or retire a defined term used in a continent-wide Reliability Standard.

- Anyone can use a Standard Authorization Request (“SAR”) to submit a request to add, modify, or retire a defined term.
- Anyone can submit a Standards Comments and Suggestions Form recommending the addition, modification, or retirement of a defined term. (The suggestion would be added to a project and incorporated into a SAR.)
- A drafting team may propose to add, modify, or retire a defined term in conjunction with the work it is already performing.

### 5.1: Proposals to Develop a New or Revised Definition

The following considerations should be made when considering proposals for new or revised definitions:

- Some NERC Regional Entities have defined terms that have been approved for use in Regional Reliability Standards, and where the drafting team agrees with a term already defined by a Regional Entity, the same definition should be adopted if needed to support a NERC Reliability Standard.
- If a term is used in a Reliability Standard according to its common meaning (as found in a collegiate dictionary), the term shall not be proposed for addition to the Glossary of Terms.
- If a term has already been defined, any proposal to modify or delete that term shall consider all uses of the definition in approved Reliability Standards, with a goal of determining whether the proposed modification is acceptable, and whether the proposed modification would change the scope or intent of any approved Reliability Standards.
- When practical, where NAESB has a definition for a term, the drafting team shall use the same definition to support a NERC Reliability Standard.

Any definition that is balloted separately from a proposed new or modified Reliability Standard or from a proposal for retirement of a Reliability Standard shall be accompanied by an implementation plan.

If a SAR is submitted to the NERC Reliability Standards Staff with a proposal for a new or revised definition, the Standards Committee shall consider the urgency of developing the new or revised definition and may direct NERC Staff to post the SAR immediately, or may defer posting the SAR until a later time based on its priority relative to other projects already underway or already approved for future development. If the SAR identifies a term that is used in a Reliability Standard already under revision by a drafting team, the Standards Committee may direct the drafting team to add the term to the scope of the existing project. Each time the Standards Committee accepts a SAR for a project that was not identified in the *Reliability Standards Development Plan*, the project shall be added to the list of approved projects.

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<sup>27</sup> The latest approved version of the Glossary of Terms is posted on the NERC website on the Standards web page.

## 5.2: Stakeholder Comments and Approvals

Any proposal for a new or revised definition shall be processed in the same manner as a Reliability Standard and quality review shall be conducted in parallel with this process. Once authorized by the Standards Committee, the proposed definition and its implementation plan shall be posted for at least one formal stakeholder comment period and shall be balloted in the same manner as a Reliability Standard. If a new or revised definition is proposed by a drafting team, that definition may be balloted separately from the associated Reliability Standard.

Each definition that is approved by its ballot pool shall be submitted to the NERC Board of Trustees for adoption and then filed with Applicable Governmental Authorities for approval in the same manner as a Reliability Standard.

## Section 6.0: Process for Conducting Field Tests

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While most drafting teams can develop Reliability Standards without the need to conduct any field tests and without the need to collect and analyze data, some Reliability Standard development efforts may benefit from field tests to analyze data and validate concepts in the development of Reliability Standards. Drafting teams are not required to collect and analyze data or to conduct a field test to validate a Reliability Standard.

A field test is initiated by either a SAR or Reliability Standard drafting team. The drafting team is responsible for developing the field test plan, including the implementation schedule, and identifying compliance-related issues, such as the potential need for compliance waivers.

### 6.1: Field Tests and Data Analysis (collectively “field test”)

- Field tests to validate concepts supporting the development of Reliability Standards should be conducted before finalizing the SAR for a project.
- To conduct a field test of a technical concept in a proposed new or revised Reliability Standard, the drafting team shall work with NERC Staff to identify one of NERC’s technical committees to oversee the field test as well as other technical committees with relevant technical expertise.
- The drafting team shall perform the field test, in coordination with NERC Staff and under the supervision of the assigned technical committee, in accordance with an approved field test plan. The drafting team may be assisted by other individuals based on the required expertise needed to support the field test.
- The lead NERC technical committee shall identify potential field test participants.

#### 6.1.1: Field Test Approval

The request to conduct a field test shall include, at a minimum:

- the field test plan;
- the implementation schedule; and
- a schedule for providing periodic updates regarding field test results and analysis to the lead NERC technical committee.

Prior to the drafting team conducting a field test, the drafting team shall: (i) first receive approval from the lead NERC technical committee; and (ii) then receive approval from the Standards Committee.

The lead NERC technical committee shall base its approval on the technical adequacy of the field test request. Following approval, the lead NERC technical committee shall provide a recommendation to the Standards Committee for the disposition of the field test request.

The Standards Committee’s decision to approve the field test request shall be based on: (i) an affirmative recommendation from the lead NERC technical committee regarding the field test plan; and (ii) the Standards Committee’s approval of the implementation schedule and the periodic update schedule. If the Standards Committee rejects the field test request, the Standards Committee shall provide an explanation of the decision to the lead NERC technical committee.

#### 6.1.2: Compliance Waivers

Compliance waivers may be required for Registered Entities that would be rendered incapable of complying with the Requirement(s) of a currently-enforceable Reliability Standard due to their participation in the field test. The NERC Compliance Monitoring and Enforcement Program Staff shall determine whether to approve any such compliance

waivers and shall be responsible for approving any modifications or terminations to approved waivers that may become necessary in the course of conducting the field test. Staff shall notify the affected Registered Entities of all compliance waiver determinations.

### **6.1.3: Field Test Suspension for Reliability Concerns**

During the field test, if NERC or the lead NERC technical committee overseeing the field test determines that the field test is creating a reliability risk to the Bulk Power System, NERC or the lead NERC technical committee shall:

- stop the activity;
- inform the Standards Committee that the activity was stopped; and
- if NERC or the lead technical committee is of the opinion a modification to the field test is necessary, provide a technical justification to the drafting team.

The Standards Committee, with the assistance of NERC Staff, shall:

- document the cessation or modification of the field test; and
- notify NERC Compliance Monitoring and Enforcement Program Staff to coordinate any compliance-related issues such as continuing or terminating waivers, where applicable (see Section 6.1.2).

Prior to modifying the field test or restarting the field test after it has been stopped, the drafting team shall resubmit the field test request and receive approval as outlined in Section 6.1.1.

### **6.1.4: Continuing, Modifying, or Terminating a Field Test**

If the drafting team determines that a field test does not provide sufficient information to formulate a conclusion within the time allotted in the plan, it shall provide to the lead NERC technical committee and the chair of the Standards Committee a recommendation to continue, modify, or terminate the field test. The lead NERC technical committee shall either approve or reject a request to continue, modify, or terminate the field test and thereafter provide notice to the Standards Committee chair of its decision. The Standards Committee shall notify NERC Compliance Monitoring and Enforcement Program Staff to coordinate any compliance-related issues such as continuing or terminating waivers (see Section 6.1.2).

If the duration of the field test is extended beyond the period of standard development, NERC Staff shall post the preliminary report and results on the NERC web site prior to the final ballot of the Reliability Standard.

Prior to initiating the field test, the Standards Committee chair and the lead NERC technical committee chair shall inform the Board of Trustees of the pending field test, the expected duration, and any requested compliance waivers. During the field test, the drafting team shall provide periodic updates (no less than quarterly) on the progress of the field test to the Standards Committee and the NERC technical committees. Prior to the ballot of any standard involving a field test, the drafting team shall provide to the Standards Committee either: (i) a preliminary report of the field test results of the field test to date, if the field test will continue beyond standard development; or (ii) a final report of the field test results. The Standards Committee chair shall keep the Board of Trustees informed regarding field test status.

The approved field test plan and any modifications thereto, along with all field test reports and results, shall be publicly posted on the NERC web site. The participant list shall also be posted, unless posting this list would present confidentiality or other concerns.

## Section 7.0: Process for Developing an Interpretation

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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. A valid Interpretation response provides additional clarity about one or more Requirements, but does not expand on any Requirement and does not explain how to comply with any Requirement. Any entity that is directly and materially affected by the reliability of the North American Bulk Power Systems may request an Interpretation of any Requirement in any continent-wide Reliability Standard that has been adopted by the NERC Board of Trustees. Interpretations will only be provided for Board of Trustees-approved Reliability Standards *i.e.* (i) the current effective version of a Reliability Standard; or (ii) a version of a Reliability Standard with a future effective date.

### 7.1: Valid Interpretation Criteria

A valid Interpretation may only clarify or explain the meaning of the language of the Requirement(s) of an approved Reliability Standard, including, if applicable, any referenced attachment. A valid Interpretation may not alter the scope or language of a Requirement or referenced attachment. No other elements of an approved Reliability Standard are subject to an Interpretation.

### 7.2: Process for Requesting an Interpretation

The entity requesting an Interpretation shall submit a *Request for Interpretation* form<sup>29</sup> to NERC Staff explaining the clarification or explanation requested, the specific circumstances surrounding the request, and the impact of not having the Interpretation provided. NERC Staff shall review the request for Interpretation to determine whether it meets the criteria for a valid Interpretation. Based on this review, NERC Staff shall make a recommendation to the Standards Committee whether to accept the request for Interpretation and move forward in responding to the Interpretation request. NERC Staff shall periodically communicate to the Standards Committee the status of all Interpretation requests that are pending resolution.

#### 7.2.1: Rejection of an Interpretation Request

The Standards Committee may reject a request for Interpretation in the following circumstances:

- The request seeks approval of a particular compliance approach.<sup>30</sup>
- The issue can be addressed by incorporating the issue into an existing standard development project or a project contemplated in a published development plan.
- The request seeks clarification or explanation of any element of a Reliability Standard other than a Requirement or referenced attachment.
- The issue has already been addressed in the record.<sup>31</sup>
- The request identifies an issue and proposes the development of a new or modified Reliability Standard (such issues should be addressed via submission of a SAR).
- The request seeks to alter the scope of a Reliability Standard.
- The meaning of a Reliability Standard is clear and evident by inspection or the plain words that are written.

If the Standards Committee rejects the Interpretation request, it shall provide a written explanation for the rejection to the entity requesting the Interpretation within 10 business days of the decision to reject.

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<sup>29</sup> The *Request for Interpretation* form is posted on the NERC Standards web page.

<sup>30</sup> Requests that seek approval of specific compliance approaches, or examples of compliance, are not candidates for Interpretations and should be pursued through the applicable NERC Compliance Monitoring and Enforcement Program processes.

<sup>31</sup> The “record” is generally understood to refer to the record of development, regulatory approval record, or other materials developed to support the development or approval of a Reliability Standard.



### 7.2.2: Acceptance of an Interpretation Request

If the Standards Committee accepts the Interpretation request, it shall authorize NERC Staff to assemble an Interpretation drafting team for approval by the Standards Committee with the relevant expertise to address the request.

### 7.2.3: Development of an Interpretation

As soon as practical, the Interpretation drafting team shall develop a draft Interpretation, consistent with Section 7.1. Interpretations shall be developed in accordance with the following process:

- NERC Staff shall review the draft Interpretation to determine whether it meets the criteria for a valid Interpretation and shall provide to the Standards Committee a recommendation to authorize posting or remand to the Interpretation drafting team for further work.
- The Standards Committee, after reviewing the recommendation, shall determine whether to authorize posting of the draft Interpretation for comment and ballot.
- Interpretations shall be balloted in the same manner as Reliability Standards (*see* Section 4.0).

If the ballot results indicate that there is not a consensus for the Interpretation, and the Interpretation drafting team cannot revise the Interpretation without violating the basic criteria for what constitutes a valid Interpretation (*see* Section 7.1), the Interpretation drafting team shall notify the Standards Committee of its conclusion and may submit a SAR with the proposed modification to the Reliability Standard. The entity that requested the Interpretation shall be notified in writing and the disposition of the Interpretation shall be posted.

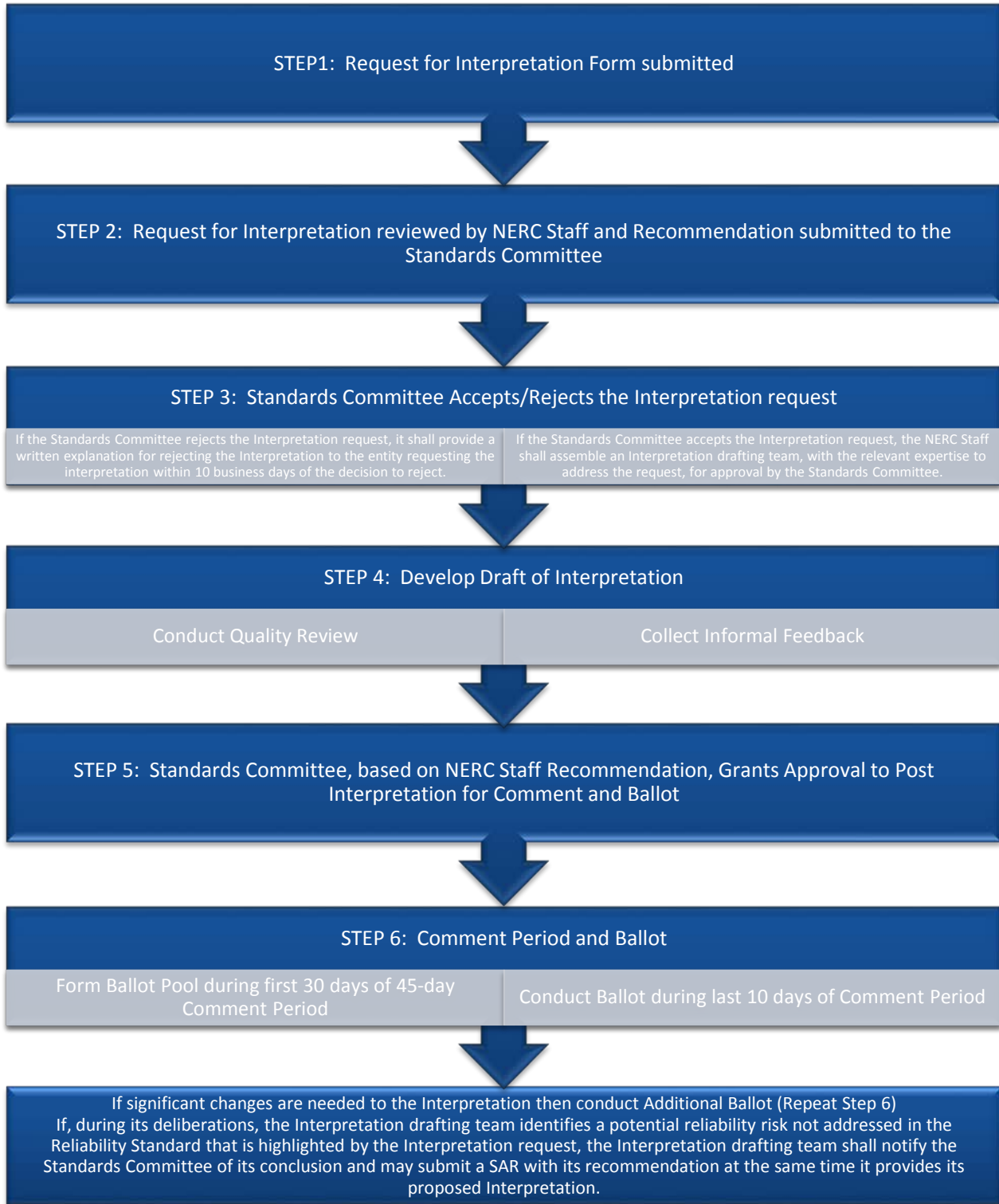
If, during its deliberations, the Interpretation drafting team identifies a potential reliability risk not addressed in the Reliability Standard that is highlighted by the Interpretation request, the Interpretation drafting team shall notify the Standards Committee of its conclusion and may submit a SAR with its recommendation at the same time it provides its proposed Interpretation.

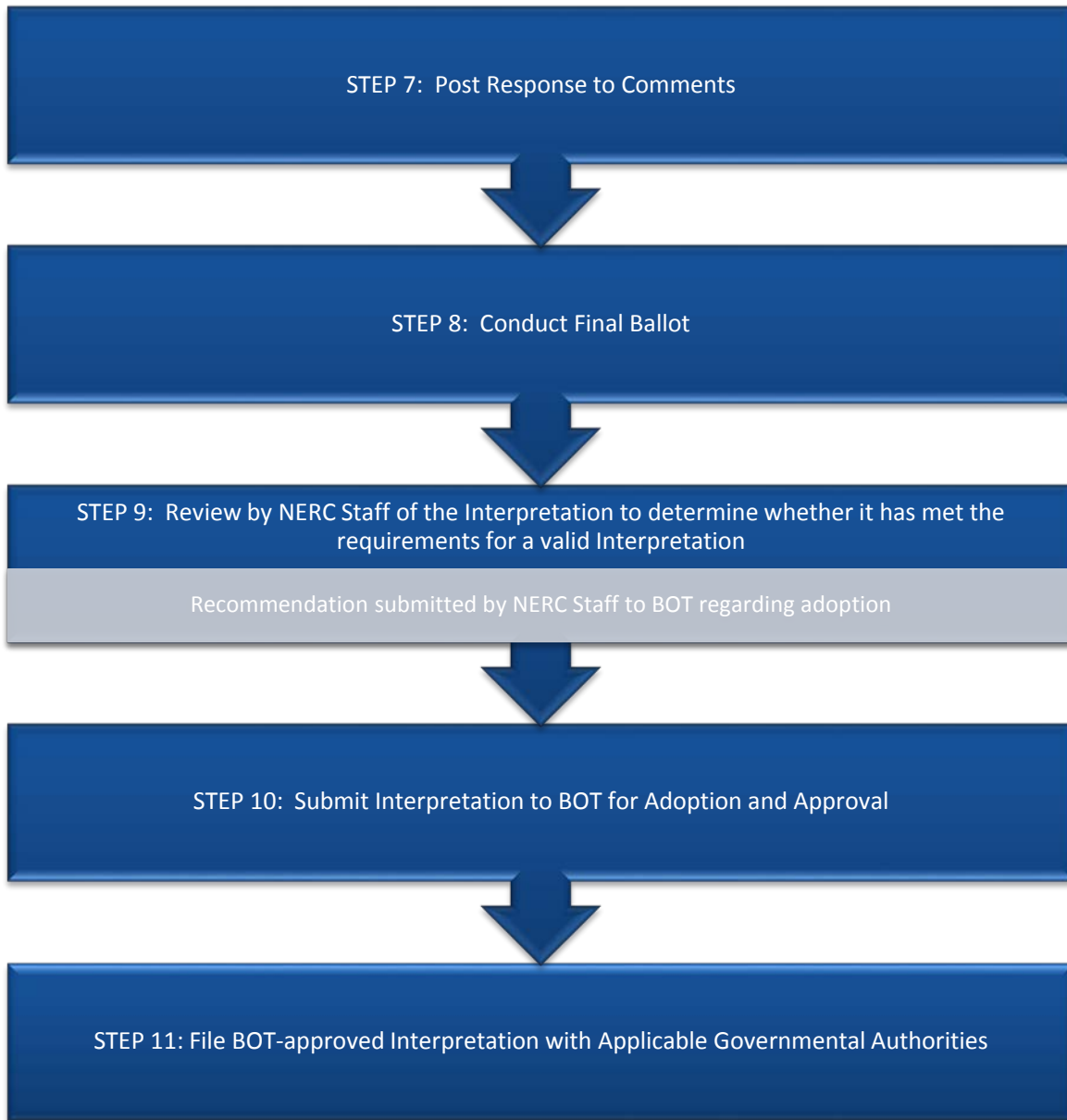
If the ballot pool approves the Interpretation, NERC Staff shall review it to determine whether it meets the criteria for a valid Interpretation and shall make a recommendation to the NERC Board of Trustees regarding adoption.

If an Interpretation drafting team recommends modifying a Reliability Standard based on its work in developing the Interpretation, the Board of Trustees shall be notified of this recommendation at the time the Interpretation is submitted for adoption. Following Board of Trustees adoption, the Interpretation shall be filed with the Applicable Governmental Authorities, and the Interpretation shall become effective when approved by those Applicable Governmental Authorities.<sup>33</sup> The Interpretation shall stand until it can be incorporated into a future revision of the Reliability Standard or is retired due to a future modification of the applicable Requirement.

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<sup>33</sup> NERC will maintain a record of all Interpretations associated with each standard on the Reliability Standards page of the NERC website.





**FIGURE 2: Process for Developing an Interpretation**

## Section 8.0: Process for Appealing an Action or Inaction

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Any entity that has directly and materially affected interests and that has been or will be adversely affected by any procedural action or inaction related to the development, approval, revision, reaffirmation, retirement or withdrawal of a Reliability Standard, definition, Variance, associated implementation plan, or Interpretation shall have the right to appeal. This appeals process applies only to the NERC Reliability Standards processes as defined in this manual, not to the technical content of the Reliability Standards action.

The burden of proof to show adverse effect shall be on the appellant. Appeals shall be made in writing 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. 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.

### 8.1: Level 1 Appeal

Level 1 is the required first step in the appeals process. The appellant shall submit (to the Director of Standards) a complaint in writing that describes the procedural action or inaction associated with the Reliability Standards process. The appellant shall describe in the complaint the actual or potential adverse impact to the appellant. Assisted by NERC Staff and industry resources as needed, the Director of Standards or its designee 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 shall be made a part of the public record associated with the Reliability Standard.

At any time prior to receiving the written response to the Level 1 Appeal, an appellant may withdraw the Level 1 Appeal with written notice to the Director of Standards.

### 8.2: 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 Director of Standards, the Director of Standards or its designee shall convene a Level 2 Appeals Panel. This panel shall consist of five members 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 NERC Reliability Standards Staff 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 entity that is directly and materially affected by the 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, definition, Variance or Interpretation or implementation plan as these responsibilities remain with the ballot pool and Board of Trustees respectively. The actions of the Level 2 Appeals Panel shall be publicly posted.

At any time prior to the meeting of the Level 2 Appeals Panel, an appellant may withdraw the Level 2 Appeal and accept the results of the Level 1 Appeal by providing written notice to the Director of Standards.

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, definition, Variance or Interpretation. The objection shall 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 shall be filed no later than 30 days after the announcement of the vote by the ballot pool on the Reliability Standard in question.

## Section 9.0: Process for Developing a Variance

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A Variance is an approved, alternative method of achieving the reliability intent of one or more Requirements in a Reliability Standard. No Regional Entity or Bulk Power System owner, operator, or user shall claim a Variance from a NERC Reliability Standard without approval of such a Variance through the relevant Reliability Standard approval procedure for the Variance. Each Variance from a NERC Reliability Standard that is approved by NERC and Applicable Governmental Authorities shall be made an enforceable part of the associated NERC Reliability Standard.

NERC's drafting teams shall aim to develop Reliability Standards with Requirements that apply on a continent-wide basis, minimizing the need for Variances while still achieving the Reliability Standard's reliability objectives. If one or more Requirements cannot be met or complied with as written because of a physical difference in the Bulk Power System or because of an operational difference (such as a conflict with a federally or provincially approved tariff), but the Requirement's reliability objective can be achieved in a different fashion, an entity or a group of entities may pursue a Variance from one or more Requirements in a continent-wide Reliability Standard. It is the responsibility of the entity that needs a Variance to identify that need and initiate the processing of that Variance through the submittal of a SAR<sup>34</sup> that includes a clear definition of the basis for the Variance.

There are two types of Variances – those that apply on an Interconnection-wide basis, and those that apply to one or more entities on less than an Interconnection-wide basis.

### 9.1: Interconnection-wide Variances

Any Variance from a NERC Reliability Standard Requirement that is proposed to apply to Registered Entities within a Regional Entity organized on an Interconnection-wide basis shall be considered an Interconnection-wide Variance and shall be developed through that Regional Entity's NERC-approved Regional Reliability Standards development procedure.

Where a Regional Entity is not organized on an Interconnection-wide basis, but a Variance is proposed to apply to Registered Entities within an Interconnection wholly contained in that Regional Entity's footprint, the Variance may be developed through that Regional Entity's NERC-approved Regional Reliability Standards development procedure.

While an Interconnection-wide Variance may be developed through the associated Regional Reliability Standards development process, Regional Entities are encouraged to work collaboratively with existing continent-wide drafting teams to reduce potential conflicts between the two efforts.

An Interconnection-wide 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 associated NERC Reliability Standard. NERC shall rebuttably presume that an Interconnection-wide Variance from a NERC Reliability Standard that is developed, in accordance with a Regional Reliability Standards development 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.

### 9.2: Variances that Apply on Less than an Interconnection-wide Basis

Any Variance from a NERC Reliability Standard Requirement that is proposed to apply to one or more entities but less than an entire Interconnection (*e.g.*, 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 considered a Variance. A Variance may be requested while a Reliability Standard is under development or a Variance may be requested at any time after

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<sup>34</sup> A sample of a SAR that identifies the need for a Variance and a sample Variance are posted as resources on the Reliability Standards Resources web page.

a Reliability Standard is approved. Each request for a Variance shall be initiated through a SAR, and processed and approved in the same manner as a continent-wide Reliability Standard, using the Reliability Standards development process defined in this manual.

## Section 10.0: Processes for Developing a Reliability Standard Related to a Confidential Issue

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While it is NERC’s intent to use its ANSI-accredited Reliability Standards development process for developing its Reliability Standards, NERC has an obligation as the ERO to ensure that there are Reliability Standards in place to preserve the reliability of the interconnected Bulk Power Systems throughout North America. When faced with a national security emergency situation, NERC may use one of the following special processes to develop a Reliability Standard that addresses an issue that is confidential. Reliability Standards developed using one of the following processes shall be called, “special Reliability Standards” and shall not be filed with ANSI for approval as American National Standards.

The NERC Board of Trustees may direct the development of a new or revised Reliability Standard to address a national security situation that involves confidential issues. These situations may involve imminent or long-term threats. In general, these Board directives will be driven by information from the President of the United States of America or the Prime Minister of Canada or a national security agency or national intelligence agency of either or both governments indicating (to the ERO) that there is a national security threat to the reliability of the Bulk Power System.<sup>35</sup>

There are two special processes for developing Reliability Standards responsive to confidential issues – one process where the confidential issue is “imminent,” and one process where the confidential issue is “not imminent.”

### 10.1: Process for Developing Reliability Standards Responsive to Imminent, Confidential Issues

If the NERC Board of Trustees directs the immediate development of a new or revised Reliability Standard to address a confidential national security emergency situation, the NERC Reliability Standards Staff shall develop a SAR, form a ballot pool (to vote on the Reliability Standard and its implementation plan) and assemble a slate of pre-defined subject matter experts as a proposed drafting team for approval by the Standards Committee’s officers. All members of the Registered Ballot Body shall have the opportunity to join the ballot pool.

### 10.2: Drafting Team Selection

The Reliability Standard drafting team selection process shall be limited to just those candidates who have already been identified as having the appropriate security clearance, the requisite technical expertise, and either have signed or are willing to sign a strict confidentiality agreement.

### 10.3: Work of Drafting Team

The Reliability Standard drafting team shall perform all its work under strict security and confidentiality rules. The Reliability Standard drafting team shall develop the new or revised Reliability Standard and its implementation plan.

The Reliability Standard drafting team shall review its work, to the extent practical, as it is being developed with officials from the appropriate governmental agencies in the U.S. and Canada, under strict security and confidentiality rules.

### 10.4: Formal Stakeholder Comment & Ballot Window

The draft Reliability Standard and its implementation plan shall be distributed for a formal comment period, under strict confidentiality rules, only to those entities that are listed in the NERC Compliance Registry to perform one of the functions identified in the applicability section of the Reliability Standard and have identified individuals from

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<sup>35</sup> The NERC Board may direct the immediate development and issuance of a Level 3 (Essential Action) alert and then may also direct the immediate development of a new or revised Reliability Standard.



their organizations that have signed confidentiality agreements with NERC.<sup>36</sup> At the same time, the Reliability Standard shall be distributed to the members of the ballot pool for review and ballot. The NERC Reliability Standards Staff shall not post or provide the ballot pool with any confidential background information.

The drafting team, working with the NERC Reliability Standards Staff, shall consider and respond to all comments, make any necessary conforming changes to the Reliability Standard and its implementation plan, and shall distribute the comments, responses and any revision to the same population as received the initial set of documents for formal comment and ballot.

### **10.5: Board of Trustee Actions**

Each Reliability Standard and implementation plan developed through this process shall be submitted to the NERC Board of Trustees for adoption.

### **10.6: Governmental Approvals**

All approved documents shall be filed for approval with Applicable Governmental Authorities.

### **10.7: Developing a Reliability Standard Responsive to an Imminent, Confidential Issue**

The following flowchart illustrates the process for developing a Reliability Standard responsive to an imminent, confidential issue:

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<sup>36</sup> In this phase of the process, only the proposed Reliability Standard shall be distributed to those entities expected to comply, not the rationale and justification for the Reliability Standard. Only the special drafting team members, who have the appropriate security credentials, shall have access to this rationale and justification.

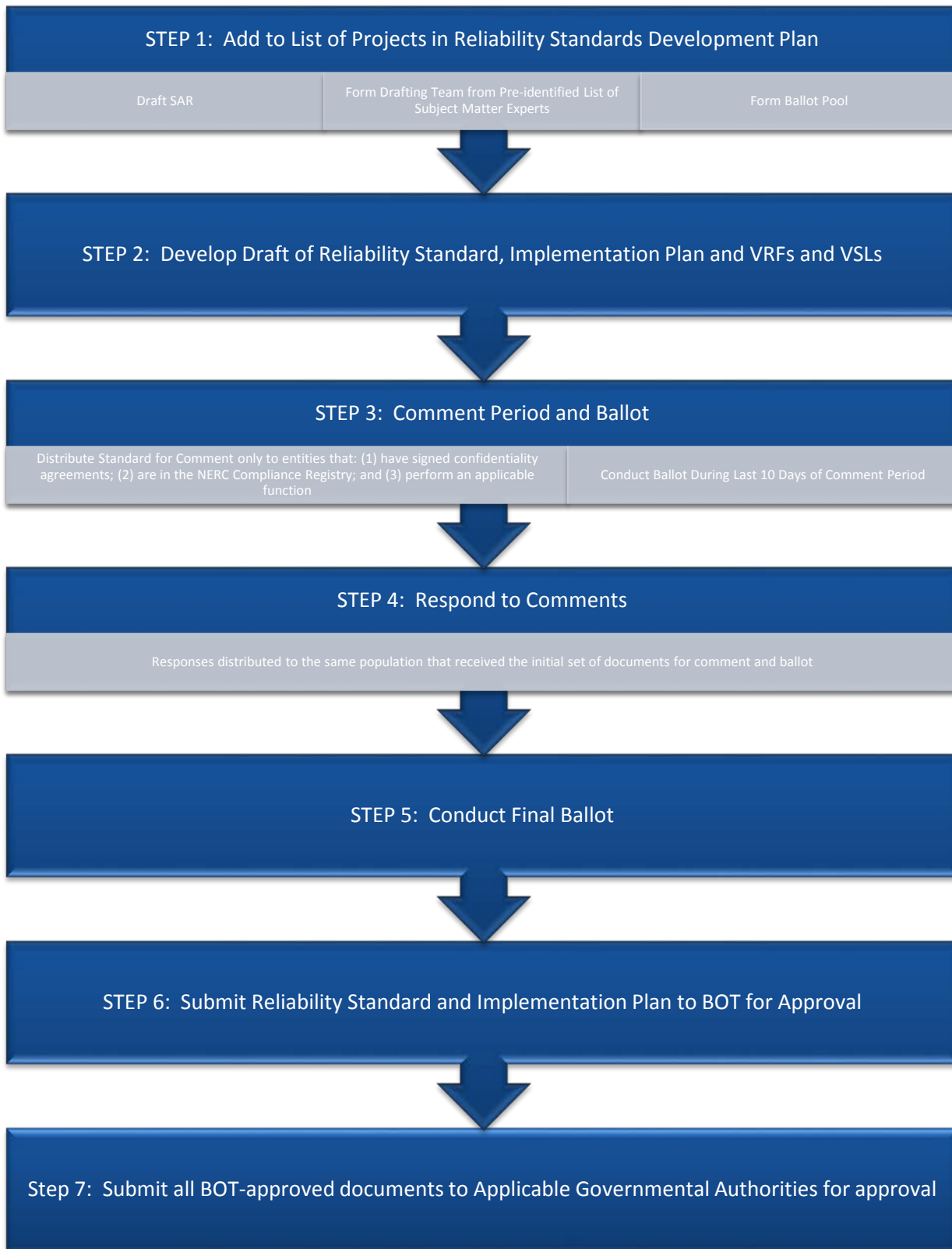


FIGURE 3: Process for Developing a Standard Responsive to an Imminent, Confidential Issue

## **10.8: Process for Developing Reliability Standards Responsive to Non-imminent, Confidential Issues**

If the NERC Board of Trustees directs the immediate development of a new or revised Reliability Standard to address a confidential national security emergency situation, the NERC Reliability Standards Staff shall develop a SAR, form a ballot pool (to vote on the Reliability Standard and its implementation plan) and assemble a slate of pre-defined subject matter experts as a proposed drafting team for approval by the Standards Committee's officers. All members of the Registered Ballot Body shall have the opportunity to join the ballot pool.

## **10.9: Drafting Team Selection**

The drafting team selection process shall be limited to just those candidates who have already been identified as having the appropriate security clearance, the requisite technical expertise, and either have signed or are willing to sign a strict confidentiality agreement.

## **10.10: Work of Drafting Team**

The drafting team shall perform all its work under strict security and confidentiality rules. The Reliability Standard drafting team shall develop the new or revised Reliability Standard and its implementation plan.

The drafting team shall review its work, to the extent practical, as it is being developed with officials from the Applicable Governmental Authorities, under strict security and confidentiality rules.

## **10.11: Formal Stakeholder Comment & Ballot Window**

The draft Reliability Standard and its implementation plan shall be distributed for a formal comment period, under strict confidentiality rules, only to those entities that are listed in the NERC Compliance Registry to perform one of the functions identified in the applicability section of the Reliability Standard and have identified individuals from their organizations that have signed confidentiality agreements with NERC.<sup>37</sup> At the same time, the Reliability Standard shall be distributed to the members of the ballot pool for review and ballot. The NERC Reliability Standards Staff shall not post or provide the ballot pool with any confidential background information.

## **10.12: Revisions to Reliability Standard, Implementation Plan and VRFs and VSLs**

The drafting team, working with the NERC Reliability Standards Staff, shall work to refine the Reliability Standard, implementation plan and VRFs and VSLs in the same manner as for a new Reliability Standard following the "normal" Reliability Standards development process described earlier in this manual with the exception that distribution of the comments, responses, and new drafts shall be limited to those entities that are in the ballot pool and those entities that are listed in the NERC Compliance Registry to perform one of the functions identified in the applicability section of the Reliability Standard and have identified individuals from their organizations that have signed confidentiality agreements with NERC.

## **10.13: Board of Trustee Action**

Each Reliability Standard, implementation plan, and the associated VRFs and VSLs developed through this process shall be submitted to the NERC Board of Trustees for adoption.

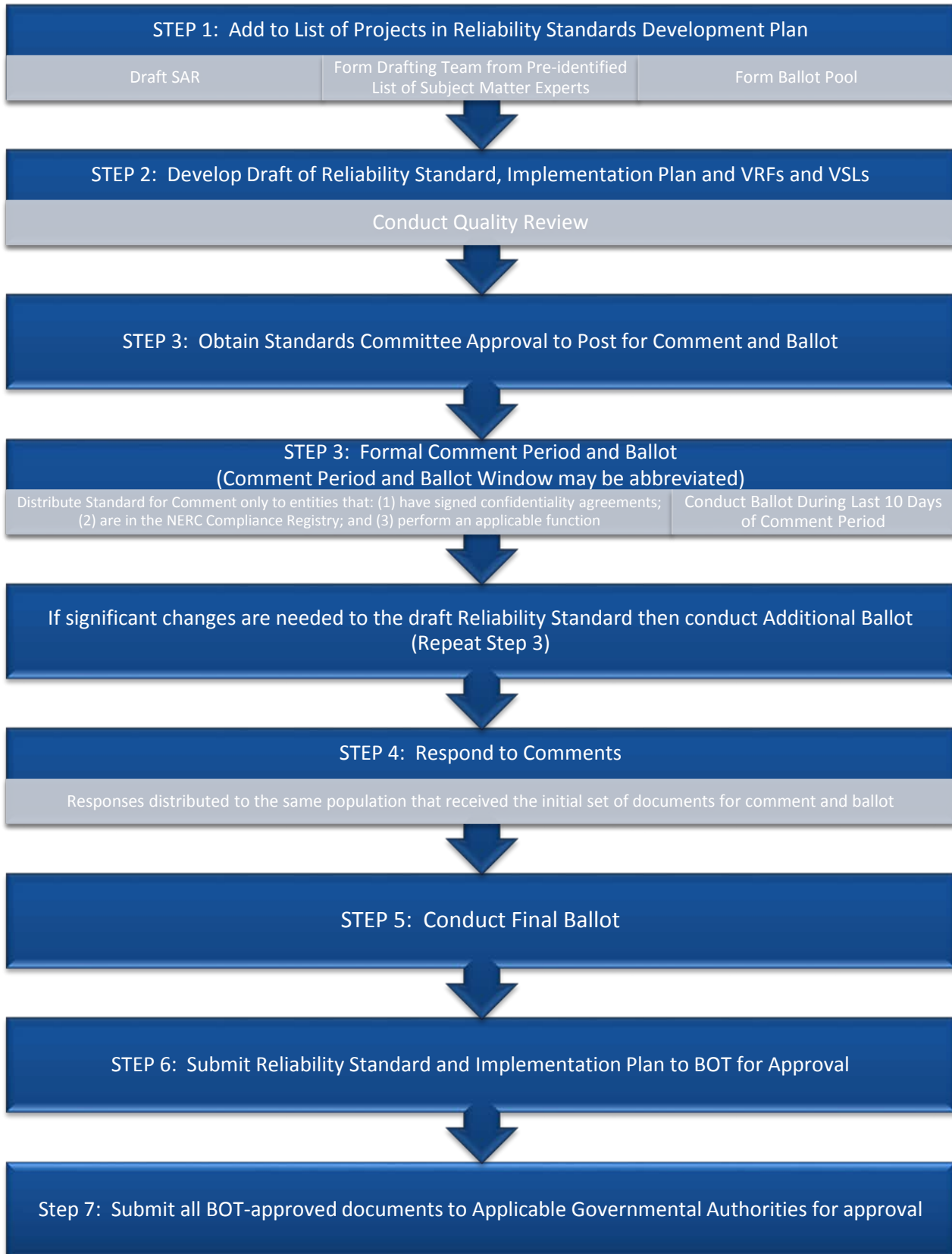
## **10.14: Governmental Approvals**

All BOT-approved documents shall be filed for approval with Applicable Governmental Authorities.

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<sup>37</sup> In this phase of the process, only the proposed Reliability Standard shall be distributed to those entities expected to comply, not the rationale and justification for the Reliability Standard. Only the special drafting team members, who have the appropriate security credentials, shall have access to this rationale and justification.

**Developing a Reliability Standard Responsive to a Non-imminent, Confidential Issue**



**FIGURE 4: Developing a Standard Responsive to a Non-Imminent, Confidential Issue**

## Section 11.0: Process for Posting Supporting Technical Documents Alongside an Approved Reliability Standard

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The NERC Standards Committee oversees the development and approval of technical documents identified as supporting documents to Reliability Standards approved by the Applicable Governmental Authority. Supporting technical documents may explain or facilitate understanding of Reliability Standards but do not themselves contain mandatory Requirements subject to compliance review. Any mandatory Requirements shall be incorporated into the Reliability Standard in the Reliability Standard development process.

This Section provides the process by which any stakeholder may propose a supporting technical document to an approved Reliability Standard. The process outlined in this section is designed so each supporting document receives stakeholder review to verify the accuracy of the technical content prior to being posted as a supporting technical document to an approved Reliability Standard.

During the standard development process, standard drafting teams may develop and post supporting technical documents to the pertinent project page, in accordance with Section 4.0. Following approval of the Reliability Standard, those documents may be posted alongside the standard without requiring separate Standards Committee authorization under this Section.

The types of supporting technical documents that may be approved for posting alongside an approved Reliability Standard under this Section are listed below.

Type of Document	Description
Reference	Descriptive, technical information or analysis or explanatory information to support the understanding of an approved Reliability Standard.
Lessons Learned	Documents designed to convey lessons learned related to an approved Reliability Standard. A Lessons Learned document cannot establish new Requirements or modify Requirements in any existing Reliability Standard.
White Paper	An informal paper stating a position or concept. A white paper may have been used to propose preliminary concepts for a Reliability Standard or a Reference document.

Documents that contain specific compliance approaches or examples are not considered supporting technical documents under this Section.

### 11.2: Process for Proposing and Evaluating Supporting Technical Documents

Proposals for supporting technical documents to approved Reliability Standards shall be submitted to the NERC Reliability Standards Staff.

NERC Staff shall conduct a review of the proposed supporting technical document. In performing this review, NERC Staff may consult any technical resources it deems appropriate. The purpose of this review is to determine whether the proposed supporting technical document meets the following criteria:

1. the document is a type of supporting technical document subject to this Section, as described in Section 11.1;

2. the document is consistent with the purpose and intent of the associated Reliability Standard; and
3. the document has received adequate stakeholder review to assess its technical adequacy, such as through a NERC technical committee review process, public comment period(s) held during the development of the associated Reliability Standard, or other stakeholder review process.

If NERC Staff determines that the proposed supporting technical document meets all three criteria specified above, NERC Staff shall submit the proposed supporting technical document to the Standards Committee as specified in Section 11.3 below.

If NERC Staff determines that the proposed supporting technical document does not meet the first or second criterion specified above, NERC Staff shall notify the submitter, in writing, that the document will not be posted as a supporting technical document under this Section. This notification shall include an explanation of the basis for the decision. NERC Staff shall also notify the Standards Committee of its determination at the next regularly-scheduled Standards Committee meeting.

If NERC Staff determines that the proposed supporting technical document meets the first and second criteria, but has not yet received adequate stakeholder review under the third criterion, NERC Staff shall make a recommendation to the Standards Committee to authorize posting the proposed supporting technical document for stakeholder review to verify the accuracy of the technical content. This comment period shall be for 30 days, unless the Standards Committee directs otherwise. Upon conclusion of the comment period, NERC Staff shall compile the comments and provide them to the submitter for consideration. If the submitter modifies the proposed supporting technical document based on stakeholder comments, NERC Staff may post the document for additional comment periods to provide for sufficient technical review.

### **11.3: Approving a Supporting Technical Document**

After determining that the proposed supporting technical document meets the three criteria specified in Section 11.2, NERC Staff shall present the supporting technical document to the NERC Standards Committee with a recommendation regarding whether the Standards Committee should approve posting the supporting technical document with the approved Reliability Standard on the pertinent NERC website page(s).

## Section 12.0: Process for Correcting Errata

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From time to time, an error may be discovered in a Reliability Standard. Such errors may be corrected (i) following a Final Ballot prior to Board of Trustees adoption, (ii) following Board of Trustees adoption prior to filing with Applicable Governmental Authorities; and (iii) following filing with Applicable Governmental Authorities. If the Standards Committee agrees that the correction of the error does not change the scope or intent of the associated Reliability Standard, and agrees that the correction has no material impact on the end users of the Reliability Standard, then the correction shall be filed for approval with Applicable Governmental Authorities as appropriate. The NERC Board of Trustees has resolved to concurrently approve any errata approved by the Standards Committee.

## Section 13.0: Process for Conducting Periodic Reviews of Reliability Standards

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All Reliability Standards shall be reviewed at least once every ten years from the effective date of the Reliability Standard or the date of the latest Board of Trustees adoption to a revision of the Reliability Standard, whichever is later. If a Reliability Standard is approved by ANSI as an American National Standard, it shall be reviewed at least once every five years from the effective date of the Reliability Standard or the date of the latest Board of Trustees adoption to a revision of the Reliability Standard, whichever is later.

The *Reliability Standards Development Plan* shall include projects that address this five or ten-year review of Reliability Standards.

- If a Reliability Standard is nearing its five or ten-year review and has issues that need resolution, then the *Reliability Standards Development Plan* shall include a project for the complete review and associated revision of that Reliability Standard that includes addressing all outstanding governmental directives, all approved Interpretations, and all unresolved issues identified by stakeholders.
- If a Reliability Standard is nearing its five or ten-year review and there are no outstanding governmental directives, Interpretations, or unresolved stakeholder issues associated with that Reliability Standard, then the *Reliability Standards Development Plan* shall include a project solely for the periodic review of that Reliability Standard.

For a project that is focused solely on the periodic review, the Standards Committee shall appoint a review team of subject matter experts to review the Reliability Standard and recommend whether the Reliability Standard should be reaffirmed, revised, or withdrawn. Each review team shall post its recommendations for a 45-day formal stakeholder comment period and shall provide those stakeholder comments to the Standards Committee for consideration.

- If a review team recommends reaffirming a Reliability Standard, the Standards Committee shall submit the reaffirmation to the Board of Trustees for adoption and then to Applicable Governmental Authorities for approval. Reaffirmation does not require approval by stakeholder ballot.
- If a review team recommends modifying, or retiring a Reliability Standard, the team shall develop a SAR with such a proposal and the SAR shall be submitted to the Standards Committee for prioritization as a new project. Each existing Reliability Standard recommended for modification, or retirement shall remain in effect in accordance with the associated implementation plan until the action to modify or withdraw the Reliability Standard is approved by its ballot pool, adopted by the Board of Trustees, and approved by Applicable Governmental Authorities.

In the case of reaffirmation of a Reliability Standard, the Reliability Standard shall remain in effect until the next five or ten-year review or until the Reliability Standard is otherwise modified or withdrawn by a separate action.



## **Section 14.0: Public Access to Reliability Standards Information**

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### **14.1: Online Reliability Standards Information System**

The NERC Reliability Standards Staff shall maintain an electronic copy of information regarding currently proposed and currently in effect Reliability Standards. This information shall include current Reliability Standards in effect, proposed revisions to Reliability Standards, and proposed new Reliability 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.

### **14.2: Archived Reliability Standards Information**

The NERC Staff shall maintain a historical record of Reliability Standards information that is no longer maintained online. 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 Reliability Standard was no longer in effect. Archived records of Reliability Standards information shall be available electronically within 30 days following the receipt by the NERC Reliability Standards Staff of a written request.

## Section 15.0: Process for Updating Standard Processes

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### 15.1: Requests to Revise the Standard Processes Manual

Any person or entity may submit a request to modify one or more of the processes contained within this manual. The Standards Committee shall oversee the handling of each request. The Standards Committee shall prioritize all requests, merge related requests, and respond to each sponsor within 30 days.

The Standards Committee shall post the proposed revisions for a 45-day formal comment period. Based on the degree of consensus for the revisions, the Standards Committee shall:

- Submit the revised process or processes for ballot pool approval;
- Repeat the posting for additional inputs after making changes based on comments received;
- Remand the proposal to the sponsor for further work; or
- 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 Reliability Standard, including the use of an Additional 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 submit to the Board a description of the basis for the changes, a summary of the comments received, and any minority views expressed in the comment and ballot process. The proposed revisions shall not be effective until approved by the NERC Board of Trustees and Applicable Governmental Authorities.

## Section 16.0: Waiver

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While it is NERC's intent to use its ANSI-accredited Reliability Standards development process for developing its Reliability Standards, NERC may need to develop a new or modified Reliability Standard, definition, Variance, Interpretation, or implementation plan under specific time constraints (such as to meet a time constrained regulatory directive) or to meet an urgent reliability issue such that there isn't sufficient time to follow all the steps in the normal Reliability Standards development process.

The Standards Committee may waive any of the provisions contained in this manual for good cause shown, but limited to the following circumstances:

- In response to a national emergency declared by the United States or Canadian government that involves the reliability of the Bulk Electric System or cyber attack on the Bulk Electric System;
- Where necessary to meet regulatory deadlines;
- Where necessary to meet deadlines imposed by the NERC Board of Trustees; or
- Where the Standards Committee determines that a modification to a proposed Reliability Standard or its Requirement(s), a modification to a defined term, a modification to an interpretation, or a modification to a variance has already been vetted by the industry through the standards development process or is so insubstantial that developing the modification through the processes contained in this manual will add significant time delay.

In no circumstances shall this provision be used to modify the requirements for achieving quorum or the voting requirements for approval of a standard.

A waiver request may be submitted to the Standards Committee by any entity or individual, including NERC committees or subgroups and NERC Staff. Prior to consideration of any waiver request, the Standards Committee must provide five business days' notice to stakeholders.

Action on the waiver request will be included in the minutes of the Standards Committee. Actions taken pursuant to an approved waiver request will be posted on the Standard Project page and included in the next project announcement.

In addition, the Standards Committee shall report the exercise of this waiver provision to the Board of Trustees prior to adoption of the related Reliability Standard, Interpretation, definition or Variance.

Reliability Standards developed as a result of a waiver of any provision of the Standard Processes Manual shall not be filed with ANSI for approval as American National Standards.

**NERC**

NORTH AMERICAN ELECTRIC  
RELIABILITY CORPORATION

# Standard Processes Manual

VERSION 34

Effective ~~June 26, 2013~~ TBD

**RELIABILITY | ACCOUNTABILITY**



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# Section 1.0: Introduction

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## 1.1: Authority

This manual is published by the authority of the North American Electric Reliability Corporation (“NERC”) Board of Trustees ~~and has been incorporated into the NERC Rules of Procedure as Appendix 3A. It. The Board of Trustees, as necessary to maintain NERC’s certification as the Electric Reliability Organization (“ERO”), may file the manual with Applicable Governmental Authorities for approval as an ERO document. When approved, the manual is appended to~~ and provides implementation detail in support of the ERO-NERC Rules of Procedure Section 300 — Reliability Standards Development.

Capitalized terms not otherwise defined herein, shall have the meaning set forth in the Definitions Used in the Rules of Procedure, Appendix 2 to the Rules of Procedure. Unless otherwise specified, any period of time that is counted in days shall refer to calendar days.

## 1.2: Scope

The policies and procedures in this manual shall govern the activities of ~~the North American Electric Reliability Corporation (“NERC”)~~ related to the development, approval, revision, reaffirmation, and withdrawal of Reliability Standards, Interpretations, Violation Risk Factors (“VRFs”), Violation Severity Levels (“VSLs”), definitions, Variances, and reference documents developed to support standards for the Reliable Operation and planning of the North American Bulk Power Systems.

This manual also addresses the role of the Standards Committee, drafting teams, and the ballot body in the development and approval of Compliance Elements in conjunction with standard development.

## 1.3: Background

NERC is a nonprofit corporation formed for the purpose of becoming the North American ERO. NERC works with all stakeholder segments of the electric industry, including electricity users, to develop Reliability Standards for the reliability planning and Reliable Operation of the North American Bulk Power Systems. 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 Reliability Standards mandatory for all Bulk Power System owners, operators, and users. Similar authorities are provided by Applicable Governmental Authorities in Canada. The United States Federal Energy Regulatory Commission (“FERC”) certified NERC ~~was certified~~ as the ERO effective July 2006. *North American Electric Reliability Corp.*, 116 FERC ¶ 61,062, *order on reh’g and compliance*, 117 FERC ¶ 61,126 (2006), *order on compliance*, 118 FERC ¶ 61,030 (2007).

## 1.4: Essential Attributes of NERC’s Reliability Standards Processes

NERC’s Reliability Standards development processes provide reasonable notice and opportunity for public comment, due process, openness, and balance of interests in developing a proposed Reliability Standard consistent with the attributes necessary for American National Standards Institute (“ANSI”) accreditation. The same attributes, as well as transparency, consensus-building, and timeliness, are also required under the ERO Rules of Procedure Section 304.

- **Open Participation**

Participation in NERC’s Reliability Standards development balloting and approval processes shall be open to all entities materially affected by NERC’s Reliability Standards. There shall be no financial barriers to participation in NERC’s Reliability Standards balloting and approval processes. Membership in the Registered Ballot Body shall not be conditional upon membership in any organization, nor unreasonably restricted on the basis of technical qualifications or other such requirements.

- **Balance**

NERC's Reliability Standards development processes shall not be dominated by any two interest categories, individuals, or organizations and no single interest category, individual, or organization is able to defeat a matter.

NERC shall use a voting formula that allocates each industry Segment an equal weight in determining the final outcome of any Reliability Standard action. The Reliability Standards development processes shall have a balance of interests. Participants from diverse interest categories shall be encouraged to join the Registered Ballot Body and participate in the balloting process, with a goal of achieving balance between the interest categories. The Registered Ballot Body serves as the consensus body voting to approve each new or proposed Reliability Standard, definition, Variance, and Interpretation.

- **Coordination and harmonization with other American National Standards activities**

NERC is committed to resolving any potential conflicts between its Reliability Standards development efforts and existing American National Standards and candidate American National Standards.

- **Notification of standards development**

NERC shall publicly distribute a notice to each member of the Registered Ballot Body, and to each stakeholder who indicates a desire to receive such notices, for each action to create, revise, reaffirm, or withdraw a Reliability Standard, definition, or Variance; and for each proposed Interpretation. Notices shall be distributed electronically, with links to the relevant information, and notices shall be posted on NERC's Reliability Standards web page. All notices shall identify a readily available source for further information.

- **Transparency**

The process shall be transparent to the public.

- **Consideration of views and objections**

Drafting teams shall give prompt consideration to the written views and objections of all participants as set forth herein. Drafting teams shall make an effort to resolve each objection that is related to the topic under review.

- **Consensus Building**

The process shall build and document consensus for each Reliability Standard, both with regard to the need and justification for the Reliability Standard and the content of the Reliability Standard.

- **Consensus vote**

NERC shall use its voting process to determine if there is sufficient consensus to approve a proposed Reliability Standard, definition, Variance, or Interpretation. NERC shall form a ballot pool for each Reliability Standard action from interested members of its Registered Ballot Body. Approval of any Reliability Standard action requires:

- A quorum, which is established by at least 75% of the members of the ballot pool submitting a response excluding unreturned ballots; and
- A two-thirds majority of the weighted Segment votes cast shall be affirmative. The number of votes cast during all stages of balloting except the final ballot is the sum of affirmative and negative votes with comments, excluding abstentions, non-responses, and negative votes without comments. During the final ballot, the number of votes cast is the sum of affirmative and negative votes, excluding abstentions and non-responses.

- ***Timeliness***

Development of Reliability Standards shall be timely and responsive to new and changing priorities for reliability of the Bulk Power System.

- ***Metric Policy***

The International System of units is the preferred units of measurement in NERC Reliability Standards. However, because NERC's Reliability Standards apply in Canada, the United States and portions of Mexico, where applicable, measures are provided in both the metric and English units.

## **1.5: Ethical Participation**

All participants in the NERC Standard development process, including drafting teams, quality reviewers, Standards Committee members and members of the Registered Ballot Body, are obligated to act in an ethical manner in the exercise of all activities conducted pursuant to the terms and conditions of the Standard Processes Manual and the standard development process.



## Section 2.0: Elements of a Reliability Standard

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### 2.1: Definition of a Reliability Standard

A Reliability Standard includes a set of Requirements that define specific obligations of owners, operators, and users of the North American Bulk Power Systems. The Requirements shall be material to reliability and measurable. A Reliability Standard is defined as follows:

“Reliability Standard” means a requirement, approved by the United States Federal Energy Regulatory Commission under Section 215 of the Federal Power Act, or approved or recognized by an applicable governmental authority in other jurisdictions, to provide for Reliable Operation of the Bulk Power System, ~~including without limiting the foregoing,~~ The term includes requirements for the operation of existing Bulk Power System ~~Facilities~~facilities, including cyber-security protection, and ~~including~~ the design of planned additions or modifications to such ~~Facilities~~facilities to the extent necessary for Reliable Operation of the Bulk Power System, but the term does not include any requirement to enlarge ~~Bulk Power Systems~~such Facilities-facilities or to construct new transmission capacity or generation capacity. (In certain contexts, this term may also refer to a “Reliability Standard” that is in the process of being developed, or not yet approved or recognized by FERC or an applicable governmental authority in other jurisdictions).<sup>1</sup> ~~A Reliability Standard shall not be effective in the United States until approved by the Federal Energy Regulatory Commission and shall not be effective in other jurisdictions until made or allowed to become effective by the Applicable Governmental Authority. See Appendix 2 to the NERC Rules of Procedure, Definitions Used in the Rules of Procedure.~~

### 2.2: Reliability Principles

NERC Reliability Standards are based on certain reliability principles that define the foundation of reliability for North American Bulk Power Systems.<sup>2</sup> Each Reliability Standard shall enable or support one or more of the reliability principles, thereby ensuring that each Reliability 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 Reliability Standard undermines reliability through an unintended consequence.

### 2.3: Market 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.<sup>3</sup> 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.

### 2.4: Types of Reliability Requirements

Generally, each Requirement of a Reliability Standard shall identify what Functional Entities shall do, and under what conditions, to achieve a specific reliability objective. Although Reliability Standards all follow this format, several types of Requirements may exist, each with a different approach to measurement.

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<sup>1</sup> See Appendix 2 to the NERC Rules of Procedure, Definitions Used in the Rules of Procedure.

<sup>2</sup> The intent of the set of NERC Reliability Standards is to deliver an adequate level of reliability. The latest set of reliability principles and the latest set of characteristics associated with an adequate level of reliability are posted on the Reliability Standards Resources web page.

<sup>3</sup> The latest set of market interface principles is posted on the Reliability Standards Resources web page.

- **Performance-based Requirements** define a specific reliability objective or outcome achieved by one or more entities that has a direct, observable effect on the reliability of the Bulk Power System, i.e. an effect that can be measured using power system data or trends. In its simplest form, a performance-based requirement has four components: who, under what conditions (if any), shall perform what action, to achieve what particular result or outcome.
- **Risk-based Requirements** define actions by one or more entities that reduce a stated risk to the reliability of the Bulk Power System and can be measured by evaluating a particular product or outcome resulting from the required actions. A risk-based reliability requirement should be framed as: who, under what conditions (if any), shall perform what action, to achieve what particular result or outcome that reduces a stated risk to the reliability of the Bulk Power System.
- **Capability-based Requirements** define capabilities needed by one or more entities to perform reliability functions and can be measured by demonstrating that the capability exists as required. A capability-based reliability requirement should be framed as: *who, under what conditions (if any), shall have what capability, to achieve what particular result or outcome to perform an action to achieve a result or outcome or to reduce a risk to the reliability of the Bulk Power System.*

The body of reliability Requirements collectively provides a defense-in-depth strategy supporting reliability of the Bulk Power System.

## 2.5: Elements of a Reliability Standard

A Reliability Standard includes several components designed to work collectively to identify what entities must do to meet their reliability-related obligations as an owner, operator or user of the Bulk Power System.

The components of a Reliability Standard may include the following:

**Title:** A brief, descriptive phrase identifying the topic of the Reliability Standard.

**Number:** A unique identification number assigned in accordance with a published classification system to facilitate tracking and reference to the Reliability Standards.<sup>4</sup>

**Purpose:** The reliability outcome achieved through compliance with the Requirements of the Reliability Standard.

**Applicability:** Identifies ~~which entities are assigned reliability requirements.~~ The specific Functional Entities and Facilities to which the Reliability Standard applies.

**Effective Dates:** Identification of the date or pre-conditions determining when each Requirement becomes effective in each jurisdiction.

**Requirement:** An explicit statement that identifies the Functional Entity responsible, the action or outcome that must be achieved, any conditions achieving the action or outcome, and the reliability-related benefit of the action or outcome. Each Requirement shall be a statement for which compliance is mandatory.

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<sup>4</sup> Reliability Standards shall be numbered in accordance with the NERC Standards Numbering Convention as provided [d](#) on the Reliability Standards Resources web page.

**Compliance Elements:** Elements to aid in the administration of ERO compliance monitoring and enforcement responsibilities.<sup>5</sup>

- **Measure:** Provides identification of the evidence or types of evidence that may demonstrate compliance with the associated requirement.
- **Violation Risk Factors and Violation Severity Levels:** Violation risk factors (VRFs) and violation severity levels (VSLs) are used as factors when determining the size of a penalty or sanction associated with the violation of a requirement in an approved ~~reliability Reliability standard Standard~~.<sup>6</sup> Each requirement in each ~~reliability Reliability standard Standard~~ has an associated VRF and a set of VSLs. VRFs and VSLs are developed by the drafting team, working with NERC Staff, at the same time as the associated ~~reliability Reliability standard Standard~~, but are not part of the ~~reliability Reliability standard Standard~~. The Board of Trustees is responsible for approving VRFs and VSLs.
  - **Violation Risk Factors**

VRFs identify the potential reliability significance of noncompliance with each requirement. Each requirement is assigned a VRF in accordance with the latest approved set of VRF criteria.<sup>7</sup>
  - **Violation Severity Levels**

VSLs define the degree to which compliance with a requirement was not achieved. Each requirement shall have at least one VSL. While it is preferable to have four VSLs for each requirement, some requirements do not have multiple “degrees” of noncompliant performance and may have only one, two, or three VSLs. Each requirement is assigned one or more VSLs in accordance with the latest approved set of VSL criteria.<sup>8</sup>

**Version History:** The version history is provided for informational purposes and lists information regarding prior versions of Reliability Standards.

**Variance:** A Requirement (to be applied in the place of the continent-wide Requirement) that is applicable to a specific geographic area or to a specific set of Registered Entities.

**Compliance Enforcement Authority:** The entity that is responsible for assessing performance or outcomes to determine if an entity is compliant with the associated Reliability Standard. The Compliance Enforcement Authority will be NERC or the Regional Entity in their respective roles of monitoring and enforcing compliance with the NERC Reliability Standards.

~~**Application guidelines:** Guidelines to support the implementation of the associated Reliability Standard.~~

~~**Procedures:** Procedures to support implementation of the associated Reliability Standard.~~

The only mandatory and enforceable components of a Reliability Standard are the: (1) applicability, (2) Requirements, and the (3) effective dates. The additional components are included in the Reliability Standard for

<sup>5</sup> It is the responsibility of the ERO staff to develop compliance tools for each standard; these tools are not part of the standard but are referenced in this manual because the preferred approach to developing these tools is to use a transparent process that leverages the technical and practical expertise of the drafting team and ballot pool.-

<sup>6</sup> The *Sanction Guidelines of the North American Electric Reliability Corporation* identifies the factors used to determine a penalty or sanction for violation of a ~~reliability Reliability S~~standard and is posted on the NERC ~~Web-web Sitesite~~.

<sup>7</sup> The latest set of approved VRF Criteria is posted on the Reliability Standards Resources ~~Web-web Pagepage~~.

<sup>8</sup> The latest set of approved VSL Criteria is posted on the Reliability Standards Resources ~~Web-web Pagepage~~.

informational purposes, ~~to establish the relevant scope and technical paradigm,~~ and to provide guidance to Functional Entities concerning how compliance will be assessed by the Compliance Enforcement Authority.

## Section 3.0: Reliability Standards Program Organization

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### 3.1: Board of Trustees

The NERC Board of Trustees shall consider for adoption Reliability Standards, definitions, Variances and Interpretations and associated implementation plans that have been ~~processed~~developed according to ~~the processes identified in~~ this manual. Once the Board adopts a Reliability Standard, definition, Variance or Interpretation, the Board shall direct NERC Staff to file the document(s) for approval with Applicable Governmental Authorities.

### 3.2: Registered Ballot Body

The Registered Ballot Body comprises all entities or individuals that qualify for one of the Segments approved by the Board of Trustees<sup>9</sup>, and are registered with NERC as potential ballot participants in the voting on Reliability Standards. Each member of the Registered Ballot Body is eligible to join the ballot pool for each Reliability Standard action.

### 3.3: Ballot Pool

Each Reliability 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 request to participate in that particular Reliability Standard action. The ballot pool votes on each Reliability Standards action. The ballot pool remains in place until all balloting related to that Reliability Standard action has been completed.

### 3.4: Standards Committee

The Standards Committee serves at the pleasure and direction of the NERC Board of Trustees, and the Board approves the Standards Committee's Charter.<sup>10</sup> ~~The composition of the Standards Committee and the election of its members is set forth in Appendix 3B to the NERC Rules of Procedure, Procedures for Election of Members of the Standards Committee. are elected by their respective Segment's stakeholders. The Standards Committee consists of two members of each of the Segments in the Registered Ballot Body.<sup>11</sup> A member of the NERC Reliability Standards Staff shall serve as the non-voting secretary to the Standards Committee.~~

The Standards Committee is responsible for managing the Reliability Standards processes for development of Reliability Standards, definitions, Variances and Interpretations in accordance with this manual. The responsibilities of the Standards Committee are defined in detail in the Standards Committee's Charter. The Standards Committee is responsible for ensuring that the Reliability Standards, definitions, Variances and Interpretations developed by drafting teams are developed in accordance with the processes in this manual and meet NERC's benchmarks for Reliability Standards as well as criteria for governmental approval.<sup>12</sup>

The Standards Committee has the right to remand work to a drafting team, to reject the work of a drafting team, or to accept the work of a drafting team. The Standards Committee may disband a drafting team if it determines (a) that the drafting team is not producing a standard in a timely manner; (b) the drafting team is not able to produce a standard that will achieve industry consensus; (c) the drafting team has not addressed the scope of the SAR; or (d) the drafting team has failed to fully address a regulatory directive or otherwise provided a responsive or equally

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<sup>9</sup> The industry Segment qualifications are described in the Development of the Registered Ballot Body and Segment Qualification Guidelines document posted on the Reliability Standards Resources web page and are included in Appendix 3D of the NERC Rules of Procedure.

<sup>10</sup> The Standards Committee Charter is posted on the Reliability Standards Resources web page.

~~<sup>11</sup> In addition to balanced 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.~~

<sup>12</sup> The *Ten Benchmarks of an Excellent Reliability Standard* and FERC's Criteria for Approving Reliability Standards are posted on the Reliability Standards Resources web page.

efficient and effective alternative. The Standards Committee may direct a drafting team to revise its work to follow the processes in this manual or to meet the criteria for NERC’s benchmarks for Reliability Standards, or to meet the criteria for governmental approval; however, the Standards Committee shall not direct a drafting team to change the technical content of a draft Reliability Standard.

The Standards Committee shall meet at regularly scheduled intervals (either in person, or by other means). All Standards Committee meetings are open to all interested parties.

### 3.5: NERC Reliability Standards Staff

The NERC Reliability Standards Staff, led by the Director of Standards,<sup>13</sup> is responsible for administering NERC’s Reliability Standards processes in accordance with this manual. The NERC Reliability Standards Staff provides support to the Standards Committee in managing the Reliability Standards processes and in supporting the work of all drafting teams. The NERC Reliability Standards Staff works to ensure the integrity of the Reliability Standards processes and consistency of quality and completeness of the Reliability Standards. The NERC Reliability Standards Staff facilitates all steps in the development of Reliability Standards, definitions, Variances, Interpretations and associated implementation plans.

The NERC Reliability Standards Staff is responsible for presenting Reliability Standards, definitions, Variances, and Interpretations to the NERC Board of Trustees for adoption. When presenting Reliability Standards-related documents to the NERC Board of Trustees for adoption or approval, the NERC Reliability Standards Staff shall report the results of the associated stakeholder ballot, including identification of unresolved stakeholder objections and an assessment of the document’s practicality and enforceability.

### 3.6: Drafting Teams

The Standards Committee shall appoint industry experts to drafting teams to work with stakeholders in developing and refining Standard Authorization Requests (“SARs”), Reliability Standards, definitions, ~~and~~ Variances, and Interpretations. ~~The NERC Reliability Standards Staff shall appoint drafting teams that develop Interpretations~~. The NERC Reliability Standards Staff shall provide, or solicit from the industry, essential support for each of the drafting teams in the form of technical writers, legal, compliance, and rigorous and highly trained project management and facilitation support personnel.

Each drafting team may consist of a group of technical, legal, and compliance experts that work cooperatively with the support of the NERC Reliability Standards Staff.<sup>14</sup> The technical experts provide the subject matter expertise and guide the development of the technical aspects of the Reliability Standard, assisted by technical writers, legal and compliance experts. The technical experts maintain authority over the technical details of the Reliability Standard. Each drafting team appointed to develop a Reliability Standard is responsible for following the processes identified in this manual as well as procedures developed by the Standards Committee from the inception of the assigned project through the final acceptance of that project by Applicable Governmental Authorities.

Collectively, each drafting team:

- Drafts proposed language for the Reliability Standards, definitions, Variances, and/or Interpretations and associated implementation plans.
- Develops and refines technical documents that aid in the understanding of Reliability Standards.

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<sup>13</sup> The Director of Standards may delegate its authority to perform certain responsibilities specified in this manual to another member of the NERC Reliability Standards staff.

<sup>14</sup> The detailed responsibilities of drafting teams are outlined in the Drafting Team Guidelines, which is posted on the Reliability Standards Resources web page.

- Works collaboratively with NERC Compliance Monitoring and Enforcement Staff to develop Reliability Standard Audit Worksheets (“RSAWs”) at the same time Reliability Standards are developed.
- Provides assistance to NERC Staff in the development of Compliance Elements of proposed Reliability Standards.
- Solicits, considers, and responds to comments related to the specific Reliability Standards development project.
- Participates in industry forums to help build consensus on the draft Reliability Standards, definitions, Variances, and/or Interpretations and associated implementation plans.
- Assists in developing the documentation used to obtain governmental approval of the Reliability Standards, definitions, Variances, and/or Interpretations and associated implementation plans.

All drafting teams report to the Standards Committee.

### 3.7: Governmental Authorities

~~The Federal Energy Regulatory Commission (“FERC”) in the United States of America, and where permissible by statute or regulation, the federal or provincial governments of other North American jurisdictions that have recognized NERC as the ERO each of the eight Canadian Provinces (Manitoba, Nova Scotia, Saskatchewan, Alberta, Ontario, British Columbia, New Brunswick and Quebec) and the National Energy Board of Canada~~ have the authority to approve each new, revised or withdrawn Reliability Standard, definition, Variance, VRF, VSL and Interpretation following adoption or approval by the NERC Board of Trustees.

### 3.8: Committees, Subcommittees, Working Groups, and Task Forces

NERC’s technical committees, subcommittees, working groups, and task forces provide technical research and analysis used to justify the development of new Reliability Standards and provide guidance, when requested by the Standards Committee, in overseeing field tests or collection and analysis of data. The technical committees, subcommittees, working groups, and task forces provide feedback to drafting teams during both informal and formal comment periods.

The Standards Committee may request that a NERC technical committee or other group prepare a ~~Technical~~technical document to support development of a proposed Reliability Standard.

The technical committees, subcommittees, working groups, and task forces share their observations regarding the need for new or modified Reliability Standards or Requirements with the NERC Reliability Standards Staff for use in identifying the need for new Reliability Standards projects for the three-year *Reliability Standards Development Plan*.

### 3.9: Compliance and Certification Committee

The Compliance and Certification Committee is responsible for monitoring NERC’s compliance with its Reliability Standards processes and procedures and for monitoring NERC’s compliance with the Rules of Procedure regarding the development of new or revised Reliability Standards, definitions, Variances, and Interpretations. The Compliance and Certification Committee may assist in verifying that each proposed Reliability Standard is enforceable as written before the Reliability Standard is posted for formal stakeholder comment and balloting.

### 3.10: Compliance Monitoring and Enforcement Program

As applicable, the NERC Compliance Monitoring and Enforcement Program Staff manages and enforces compliance with approved Reliability Standards. Compliance Monitoring and Enforcement Staff are responsible for the development of select compliance tools. The drafting team and the Compliance Monitoring and Enforcement Program Staff shall work together during the Reliability Standard development process to ensure an accurate and consistent understanding of the Requirements and their intent, and to ensure that applicable compliance tools

accurately reflect that intent. The goal of this collaboration is to ensure that application of the Reliability Standards in the Compliance Monitoring and Enforcement Program by NERC and the Regional Entities is consistent.

The Compliance Monitoring and Enforcement Program is encouraged to share its observations regarding the need for new or modified Requirements with the NERC Reliability Standards Staff for use in identifying the need for new Reliability Standards projects.

### **3.11: North American Energy Standards Board (“NAESB”)**

While NERC has responsibility for developing Reliability Standards to support reliability, NAESB has responsibility for developing business practices and coordination between reliability and business practices as needed. NERC and NAESB developed and approved a procedure<sup>15</sup> to guide the development of Reliability Standards and business practices where the reliability and business practice components are intricately entwined within a proposed Reliability Standard.

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<sup>15</sup> The NERC NAESB Template Procedure for Joint Standards Development and Coordination is posted on the Reliability Standards Resources web page.



## Section 4.0: Process for Developing, Modifying, Withdrawing or Retiring a Reliability Standard

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There are several steps to the development, modification, withdrawal or retirement of a Reliability Standard.<sup>16</sup>

The development of the *Reliability Standards Development Plan* is the appropriate forum for reaching agreement on whether there is a need for a Reliability Standard and the scope of a proposed Reliability Standard. A typical process for a project identified in the *Reliability Standards Development Plan* that involves a revision to an existing Reliability Standard is shown below. Note that most projects do not include a field test.

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<sup>16</sup> The process described is also applicable to projects used to propose a new or modified definition or Variance or to propose retirement of a definition or Variance.

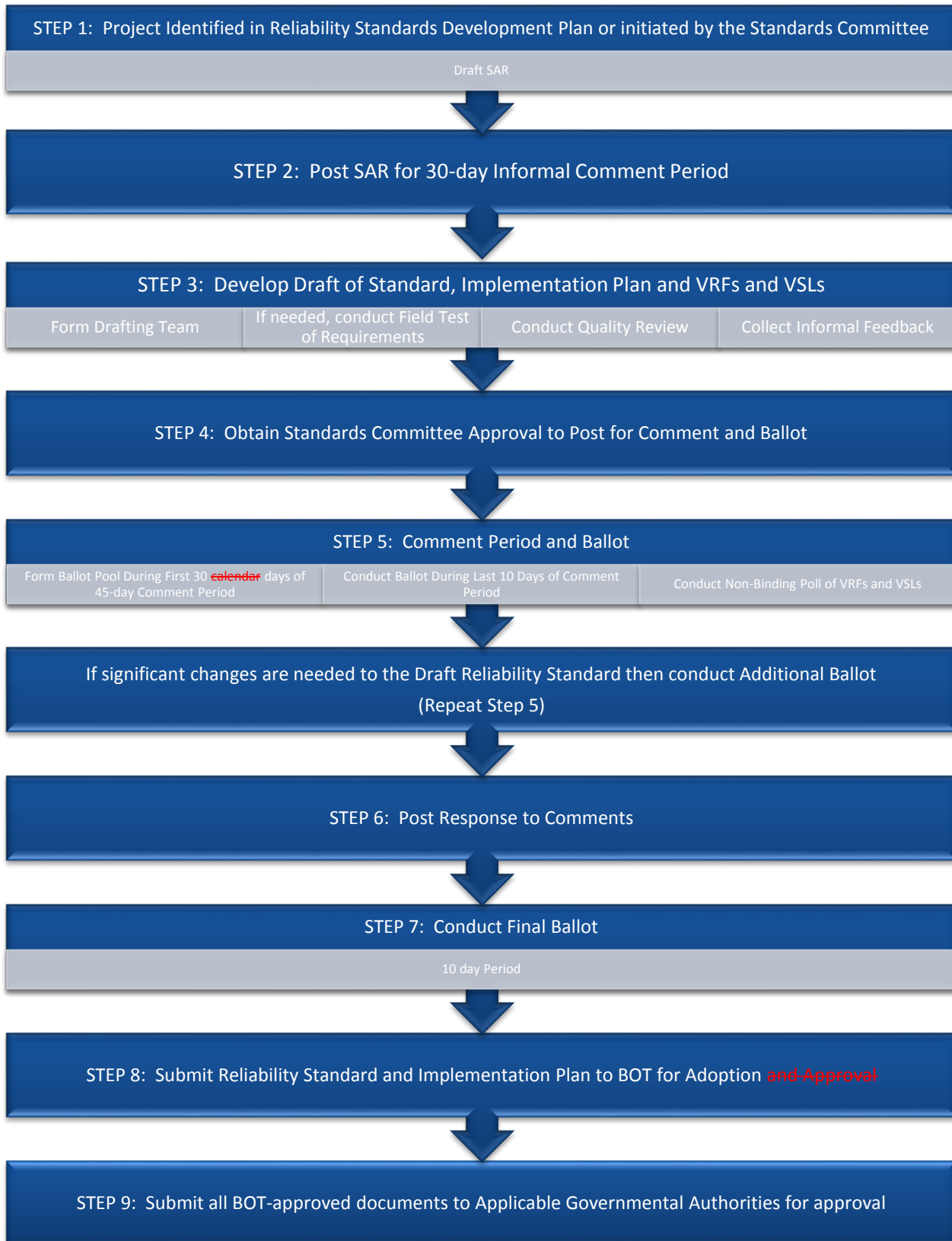


FIGURE 1: Process for Developing or Modifying a Reliability Standard

## 4.1: Posting and Collecting Information on SARs

### Standard Authorization Request

A Standard Authorization Request (“SAR”) is the form used to document the scope and reliability benefit of a proposed project for one or more new or modified Reliability Standards or definitions or the benefit of retiring one or more approved Reliability Standards. Any entity or individual, including NERC committees or subgroups and NERC Staff, may propose the development of a new or modified Reliability Standard, or may propose the retirement of a Reliability Standard (in whole or in part), by submitting a completed SAR<sup>17</sup> to the NERC Reliability Standards Staff.<sup>18</sup> The Standards Committee has the authority to approve the posting of all SARs for projects that propose (i) developing a new or modified Reliability Standard or definition or (ii) propose retirement of an existing Reliability Standard (or elements thereof).

The NERC Reliability Standards Staff sponsors an open solicitation period each year seeking ideas for new Reliability Standards projects (using *Reliability Standards Suggestions and Comments forms*). The open solicitation period is held in conjunction with the annual revision to the *Reliability Standards Development Plan*. While the Standards Committee prefers that ideas for new projects be submitted during this annual solicitation period through submittal of a *Reliability Standards Suggestions and Comments Form*,<sup>19</sup> a SAR proposing a specific project may be submitted to the NERC Reliability Standards Staff at any time.

Each SAR that proposes a “new” or substantially revised Reliability Standard or definition should be accompanied by a technical justification that includes, as a minimum, a discussion of the reliability-related benefits and costs of developing the new Reliability Standard or definition, and a technical foundation document (*e.g.*, research paper) to guide the development of the Reliability Standard or definition. The technical document should address the engineering, planning and operational basis for the proposed Reliability Standard or definition, as well as any alternative approaches considered during SAR development.

The NERC Reliability Standards Staff shall review each SAR and work with the submitter to verify that all required information has been provided. All properly completed SARs shall be submitted to the Standards Committee for action at the next regularly scheduled Standards Committee meeting.

When presented with a SAR, the Standards Committee shall determine if the SAR is sufficiently complete to guide Reliability Standard development and whether the SAR is consistent with this manual. The Standards Committee shall take one of the following actions:

- Accept the SAR.
- Remand the SAR back to the requestor or to NERC Reliability Standards Staff for additional work.
- Reject the SAR. The Standards Committee may reject a SAR for good cause. If the Standards Committee rejects a SAR, it shall provide a written explanation for rejection to the sponsor within ten days of the rejection decision.
- Delay action on the SAR pending one of the following: (i) development of a technical justification for the proposed project; or (ii) consultation with another NERC Committee to determine if there is another approach to addressing the issue raised in the SAR.

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<sup>17</sup> ~~The SAR form can be downloaded from the Reliability Standards Resources web page.~~

<sup>18</sup> ~~The SAR form can be downloaded from~~ is available on the Reliability Standards Resources web page.

<sup>19</sup> The *Reliability Standards Suggestions and Comments Form* can be downloaded from the Reliability Standards Resources web page.

If the Standards Committee is presented with a SAR that proposes developing a new Reliability Standard or definition but does not have a technical justification upon which the Reliability Standard or definition can be developed, the Standards Committee shall direct the NERC Reliability Standards Staff to post the SAR for a 30-day comment period solely to collect stakeholder feedback on the scope of technical foundation, if any, needed to support the proposed project. If a technical foundation is determined to be necessary, the Standards Committee shall solicit assistance from NERC's technical committees or other industry experts to provide that foundation before authorizing development of the associated Reliability Standard or definition.

During the SAR comment process, the drafting team may become aware of potential regional Variances related to the proposed Reliability 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 shall be made a part of the draft new or revised Reliability Standard.

If the Standards Committee accepts a SAR, the project shall be added to the list of approved projects. The Standards Committee shall assign a priority to the project, relative to all other projects under development, and those projects already identified in the *Reliability Standards Development Plan* that are already approved for development.

The Standards Committee shall work with the NERC Reliability Standards Staff to coordinate the posting of SARs for new projects, giving consideration to each project's priority.

## 4.2: SAR Posting

When the Standards Committee determines it is ready to initiate a new project, the Standards Committee shall direct NERC Staff to post the project's SAR in accordance with the following:

- For SARs that are limited to addressing regulatory directives, or revisions to Reliability Standards that have had some vetting in the industry, authorize posting the SAR for a 30-day informal comment period with no requirement to provide a formal response to the comments received.
- For SARs that address the development of new projects or Reliability Standards, authorize posting the SAR for a 30-day formal comment period.

If a SAR for a new Reliability Standard is posted for a formal comment period, the Standards Committee shall appoint a drafting team to work with the NERC Staff coordinator to give prompt consideration of the written views and objections of all participants. The Standards Committee may use a public nomination process to populate the Reliability Standard drafting team, or may use another method that results in a team that collectively has the necessary technical expertise and work process skills to meet the objectives of the project. In some situations, an *ad hoc* team may already be in place with the requisite expertise, competencies, and diversity of views that are necessary to refine the SAR and develop the Reliability Standard, and additional members may not be needed. The drafting team shall address all comments submitted during the public posting period. The drafting team may address the comments, which may be in the form of a summary response addressing each of the issues raised in comments received, during the public posting period. 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. If the drafting team concludes that there is not sufficient stakeholder support to continue to refine the SAR, the team may recommend that the Standards Committee direct curtailment of work on the SAR.

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. The Standards Committee shall notify the sponsor in writing of the rejection within 10 ~~calendar~~ days.

If stakeholders indicate support for the project proposed with the SAR, the drafting team shall present its work to the Standards Committee with a request that the Standards Committee authorize development of the associated Reliability Standard.

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

- Authorize drafting the proposed Reliability Standard or revisions to a Reliability Standard.
- Reject the SAR with a written explanation to the sponsor and post that explanation.

### 4.3: Form Drafting Team

When the Standards Committee is ready to have a drafting team begin work on developing a new or revised Reliability Standard, the Standards Committee shall appoint a drafting team, if one was not already appointed to develop the SAR. If the Standards Committee appointed a drafting team to refine the SAR, the same drafting team shall work to develop the associated Reliability Standard.

If no drafting team is in place, then the Standards Committee may use a public nomination process to populate the Reliability Standard drafting team, or may use another method that results in a team that collectively has the necessary technical expertise, diversity of views, and work process skills to accomplish the objectives of the project on a timely basis. In some situations, an ad hoc team may already be in place with the requisite expertise, competencies, and diversity of views that are necessary to develop the Reliability Standard, and additional members may not be needed.

The NERC Reliability Standards Staff shall provide one or more members as needed to support the team with facilitation, project management, compliance, legal, regulatory and technical writing expertise and shall provide administrative support to the team, guiding the team through the steps in completing its project. In developing the Reliability Standard, the individuals provided by the NERC Reliability Standards Staff serve as advisors to the drafting team and do not have voting rights but share accountability along with the drafting team members assigned by the Standards Committee for timely delivery of a final draft Reliability Standard that meets the quality attributes identified in NERC's *Ten Benchmarks for an Excellent Reliability Standards*. The drafting team members assigned by the Standards Committee shall have final authority over the technical details of the Reliability Standard, while the technical writer shall provide assistance to the drafting team in assuring that the final draft of the Reliability Standard meets the quality attributes identified in NERC's *Ten Benchmarks of an Excellent Reliability Standards*.

Once it is appointed by the Standards Committee, the Reliability Standard drafting team is responsible for making recommendations to the Standards Committee regarding the remaining steps in the Reliability Standards process. Consistent with the need to provide for timely standards development, the Standards Committee may decide a project is so large that it should be subdivided and either assigned to more than one drafting team or assigned to a single drafting team with clear direction on completing the project in specified phases. The normally expected timeframes for standards development within the context of this manual are applicable to individual standards and not to projects containing multiple standards. Alternatively, a single drafting team may address the entire project with a commensurate increase in the expected duration of the development work. If a SAR is subdivided and assigned to more than one drafting team, each drafting team will have a clearly defined portion of the work such that there are no overlaps and no gaps in the work to be accomplished.

The Standards Committee may supplement the membership of a Reliability Standard drafting team or provide for additional advisors, as appropriate, to ensure the necessary competencies and diversity of views are maintained throughout the Reliability Standard development effort.

## 4.4: Develop Preliminary Draft of Reliability Standard, Implementation Plan, and VRFs and VSLs

### 4.4.1: Project Schedule

When a drafting team begins its work, either in refining a SAR or in developing or revising a proposed Reliability Standard, the drafting team shall develop a project schedule which shall be approved by the Standards Committee. The drafting team shall report progress to the Standards Committee, against the initial project schedule and any revised schedule as requested by the Standards Committee. Where project milestones cannot be completed on a timely basis, modifications to the project schedule must be presented to the Standards Committee for consideration along with proposed steps to minimize unplanned project delays.

### 4.4.2: Draft Reliability Standard

The team shall develop a Reliability Standard that is within the scope of the associated SAR that includes all required elements as described earlier in this manual ~~with a goal of and that~~ meets the quality attributes identified in NERC's Ten Benchmarks for of an Excellent Reliability Standards, with a goal of meeting and the criteria for governmental approval. ~~The team shall document its justification for the Requirements in its proposed Reliability Standard by explaining how each meets these criteria. The standard drafting team shall document its justification for selecting each reference by explaining how each Requirement fits the category chosen.~~

The drafting team may, at its discretion, develop one or more supporting technical documents to help explain or facilitate understanding of the draft Reliability Standard, implementation plan, VSL, or VRF. These supporting technical documents may include, among other things: (1) reference documents designed to provide the drafting team's technical rationale, analysis, or explanatory information to support the understanding of the draft Reliability Standard or related element; or (2) white papers designed to explain a technical position or concept underlying the draft Reliability Standard or related element. Such documents may be posted during an informal comment period (Section 4.5) or formal comment period (Section 4.7).

### 4.4.3: Implementation Plan

As a drafting team drafts its proposed revisions to a Reliability Standard, that team is also required to develop an implementation plan to identify any factors for consideration when approving the proposed effective date or dates for the associated Reliability Standard or Standards. As a minimum, the implementation plan shall include the following:

- The proposed effective date (the date entities shall be compliant) for the Requirements.
- Identification of any new or modified definitions that are proposed for approval with the associated Reliability Standard.
- Whether there are any prerequisite actions that need to be accomplished before entities are held responsible for compliance with one or more of the Requirements.
- Whether approval of the proposed Reliability Standard will necessitate any conforming changes to any already approved Reliability Standards – and identification of those Reliability Standards and Requirements.
- The Functional Entities that will be required to comply with one or more Requirements in the proposed Reliability Standard.

A single implementation plan may be used for more than one Reliability Standard. The implementation plan is posted with the associated Reliability Standard or Standards during the 45 ~~(calendar)~~ day formal comment period and is balloted with the associated Reliability Standard.

#### 4.4.4: Violation Risk Factors and Violation Severity Levels

The drafting team shall work with NERC Staff in developing a set of VRFs and VSLs that meet the latest criteria established by NERC and Applicable Governmental Authorities. The drafting team shall document its justification for selecting each VRF and for setting each set of proposed VSLs by explaining how its proposed VRFs and VSLs meet these criteria. NERC Staff is responsible for ensuring that the VRFs and VSLs proposed for stakeholder review meet these criteria.

Before the drafting team has finalized its Reliability Standard, implementation plan, and VRFs and VSLs, the team should seek stakeholder feedback on its preliminary draft documents.

#### 4.5: Informal Feedback<sup>20</sup>

Drafting teams may use a variety of methods to collect informal stakeholder feedback on preliminary drafts of its documents, including the use of informal comment periods,<sup>21</sup> webinars, industry meetings, workshops, or other mechanisms. Information gathered from informal comment forms shall be publicly posted. While drafting teams are not required to provide a written response to each individual comment received, drafting teams are encouraged, where possible, to post a summary response that identifies how it used comments submitted by stakeholders. Drafting teams are encouraged, where possible, to reach out directly to individual stakeholders in order to facilitate resolution of identified stakeholder concerns. The intent is to gather stakeholder feedback on a “working document” before the document reaches the point where it is considered the “final draft.”

#### 4.6: Conduct Quality Review

The NERC Reliability Standards Staff shall coordinate a quality review of the Reliability Standard, implementation plan, and VRFs and VSLs in parallel with the development of the Reliability Standard and implementation plan, to assess whether the documents are within the scope of the associated SAR, whether the Reliability Standard is clear and enforceable as written, and whether the Reliability Standard meets the criteria specified in NERC’s *Ten Benchmarks for of an Excellent Reliability Standards* and criteria for governmental approval of Reliability Standards. The drafting team shall consider the results of the quality review, decide upon appropriate changes, and recommend to the Standards Committee whether the documents are ready for formal posting and balloting.

The Standards Committee shall authorize posting the proposed Reliability Standard, and implementation plan for a formal comment period and ballot and the VRFs and VSLs for a non-binding poll as soon as the work flow will accommodate.

If the Standards Committee finds that any of the documents do not meet the specified criteria, the Standards Committee shall remand the documents to the drafting team for additional work.

If the Reliability Standard is outside the scope of the associated SAR, the drafting team shall be directed to either revise the Reliability Standard so that it is within the approved scope, or submit a request to expand the scope of the approved SAR. If the Reliability Standard is not clear and enforceable as written, or if the Reliability Standard does not meet the specified criteria, the Reliability Standard shall be returned to the drafting team by the Standards Committee with specific identification of any Requirement that is deemed to be unclear or unenforceable as written.

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<sup>20</sup> While this discussion focuses on collecting stakeholder feedback on proposed Reliability Standards and implementation plans, the same process is used to collect stakeholder feedback on proposed new or modified Interpretations, definitions and Variances.

<sup>21</sup> The term “informal comment period” refers to a comment period conducted outside of the ballot process and where there is no requirement for a drafting team to respond in writing to submitted comments.

## 4.7: Conduct Formal Comment Period and Ballot

Proposed new or modified Reliability Standards require a formal comment period where the new or modified Reliability Standard, implementation plan and associated VRFs and VSLs or the proposal to retire a Reliability Standard, implementation plan, and associated VRFs and VSLs are posted.

The formal comment period shall be at least 45-days long. Formation of the ballot pool and Ballot of the Reliability Standard take place during this formal 45-day comment period. The intent of the formal comment period(s) is to solicit very specific feedback on the final draft of the Reliability Standard, implementation plan and VRFs and VSLs.

Comments in written form may be submitted on a draft Reliability Standard by any interested stakeholder, including NERC Staff, FERC Staff, and other interested governmental authorities. If stakeholders disagree with some aspect of the proposed set of products, comments provided should explain the reasons for such disagreement and, where possible, suggest specific language that would make the product acceptable to the stakeholder.

## 4.8: Form Ballot Pool

The NERC Reliability Standards Staff shall establish a ballot pool during the first 30 ~~calendar~~ days of the 45-day formal comment period. The NERC Reliability Standards Staff shall post the proposed Reliability Standard, along with its implementation plan, VRFs and VSLs and shall send a notice to every entity in the Registered Ballot Body to provide notice that there is a new or revised Reliability Standard proposed for approval and to solicit participants for the associated ballot pool. All members of the Registered Ballot Body are eligible to join each ballot pool to vote on a new or revised Reliability Standard and its implementation plan and to participate in the non-binding poll of the associated VRFs and VSLs.

Any member of the Registered Ballot Body may join or withdraw from the ballot pool until the ballot window opens. No Registered Ballot Body member may join or withdraw from the ballot pool once the first ballot starts through the point in time where balloting for that Reliability Standard action has ended. The Director of Standards or its designee may authorize deviations from this rule for extraordinary circumstances such as the death, retirement, or disability of a ballot pool member that would prevent an entity that had a member in the ballot pool from eligibility to cast a vote during the ballot window. Any ~~approved~~ authorized deviation shall be documented and noted to the Standards Committee.

## 4.9: Conduct Ballot and Non-binding Poll of VRFs and VSLs<sup>22</sup>

The NERC Reliability Standards Staff shall announce the opening of the Ballot window and the non-binding poll of VRFs and VSLs. The Ballot window and non-binding poll of VRFs and VSLs shall take place during the last 10 ~~calendar~~ days of the 45-day formal comment period and for the Final Ballot shall be no less than 10 ~~calendar~~ days. If the last day of the ballot window falls on a Saturday or Sunday, the period does not end until the next business day.<sup>23</sup>

The ballot and non-binding poll shall be conducted electronically. The voting window shall be for a period of 10 ~~calendar~~ days but shall be extended, if needed, until a quorum is achieved. During a ballot window, NERC shall not sponsor or facilitate public discussion of the Reliability Standard action under ballot.

<sup>22</sup> While RSAWs are not part of the Reliability Standard, they are developed through collaboration of the SDT and NERC Compliance Staff. A non-binding poll, similar to what is done for VRFs and VSLs may be conducted for the RSAW developed through this process to gauge industry support for the companion RSAW to be provided for informational purposes to the NERC Board of Trustees.

<sup>23</sup> Closing dates may be extended as deemed appropriate by NERC Staff.



There is no requirement to conduct a new non-binding poll of the revised VRFs and VSLs if no changes were made to the associated standard, however if the requirements are modified and conforming changes are made to the associated VRFs and VSLs, another non-binding poll of the revised VRFs and VSLs shall be conducted.

#### 4.10: Criteria for Ballot Pool Approval

Ballot pool approval of a Reliability Standard requires:

A quorum, which is established by at least 75% of the members of the ballot pool submitting a response; and

A two-thirds majority of the weighted Segment votes cast shall be affirmative. The number of votes cast is the sum of affirmative votes and negative votes with comments. This calculation of votes for the purpose of determining consensus excludes (i) abstentions, (ii) non-responses, and (iii) negative votes without comments.

The following process<sup>24</sup> is used to determine if there are sufficient affirmative votes.

- For each Segment with ten or more voters, the following process shall be used: The number of affirmative votes cast shall be divided by the sum of affirmative and negative votes with comments cast to determine the fractional affirmative vote for that Segment. Abstentions, non-responses, and negative votes without comments shall not be counted for the purposes of determining the fractional affirmative vote for a Segment.
- For each Segment with less than ten voters, the vote weight of that Segment shall be proportionally reduced. Each voter within that Segment voting affirmative or negative with comments shall receive a weight of 10% of the Segment vote.
- The sum of the fractional affirmative votes from all Segments divided by the number of Segments voting<sup>25</sup> shall be used to determine if a two-thirds majority has been achieved. (A Segment shall be considered as “voting” if any member of the Segment in the ballot pool casts either an affirmative vote or a negative vote with comments.)
- A Reliability Standard shall be approved if the sum of fractional affirmative votes from all Segments divided by the number of voting Segments is at least two thirds.

#### 4.11: Voting Positions

Each member of the ballot pool may **only** vote one of the following positions on the Ballot and Additional Ballot(s):

- Affirmative;
- Affirmative, with comment;
- Negative with comments;
- Abstain.

Given that there is no formal comment period concurrent with the Final Ballot, each member of the ballot pool may **only** vote one of the following positions on the Final Ballot:

- Affirmative;

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<sup>24</sup> Examples of weighted segment voting calculation are posted on the Reliability Standards Resources web page.

<sup>25</sup> 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.

- Negative;<sup>26</sup>
- Abstain.

#### 4.12: Consideration of Comments and Additional Ballots

A drafting team must respond in writing to every stakeholder written comment submitted in response to a ballot prior to conducting a Final Ballot. These responses may be provided in summary form, but all comments and objections must be responded to by the drafting team. All comments received and all responses shall be publicly posted.

If a stakeholder or balloter proposes a significant revision to a Reliability Standard during the formal comment period or concurrent Ballot that will improve the quality, clarity, or enforceability of that Reliability Standard, then the drafting team may choose to make such revisions and post the revised Reliability Standard for another 45-~~calendar~~ day public comment period and ballot. ~~However, a~~ A drafting team is not required to respond in writing to comments to the previous ballot when it determines that significant changes are needed and an Additional Ballot will be conducted. Prior to posting the revised Reliability Standard for an additional comment period, the drafting team must communicate this decision to stakeholders. This communication is intended to inform stakeholders that the drafting team has identified that significant revisions to the Reliability Standard are necessary and should note that the drafting team is not required to respond in writing to comments from the previous ballot. The drafting team will respond to comments received in the last Additional Ballot prior to conducting a Final Ballot.

There are no limits to the number of public comment periods and ballots that can be conducted to result in a Reliability Standard or interpretation that is clear and enforceable, and achieves a quorum and sufficient affirmative votes for approval. The Standards Committee has the authority to conclude this process for a particular Reliability Standards action if it becomes obvious that the drafting team cannot develop a Reliability Standard that is within the scope of the associated SAR, is sufficiently clear to be enforceable, and achieves the requisite weighted Segment approval percentage.

~~There is no formal comment period concurrent with the Final Ballot and no obligation for the drafting team to respond to any comments submitted during the Final Ballot.~~

#### ~~4.13: Additional Ballots~~

~~A drafting team must respond in writing to every stakeholder written comment submitted in response to a ballot prior to conducting a Final Ballot. These responses may be provided in summary form, but all comments and objections must be responded to by the drafting team. All comments received and all responses shall be publicly posted.~~

~~However, a drafting team is not required to respond in writing to comments to the previous ballot when it determines that significant changes are needed and an Additional Ballot will be conducted.~~

#### ~~4.14~~**13: Conduct Final Ballot**

When the drafting team has reached a point where it has made a good faith effort at resolving applicable objections and is not making any substantive changes from the previous ballot, the team shall conduct a “Final Ballot.” A non-substantive revision is a revision that does not change the scope, applicability, or intent of any Requirement and includes but is not limited to things such as correcting the numbering of a Requirement, correcting the spelling of a

<sup>26</sup> The Final Ballot is used to confirm consensus achieved during the Formal Comment and Ballot stage. Ballot Pool members voting negative on the Final Ballot will be deemed to have expressed the reason for their negative ballot in their own comments or the comments of others during prior Formal Comment periods.

word, adding an obviously missing word, or rephrasing a Requirement for improved clarity. Where there is a question as to whether a proposed modification is “substantive,” the Standards Committee shall make the final determination.

In the Final Ballot, members of the ballot pool shall again be presented the proposed Reliability Standard along with the reasons for negative votes from the previous ballot, the responses of the drafting team to those concerns, and any resolution of the differences.

All members of the ballot pool shall be permitted to reconsider and change their vote from the prior ballot. Members of the ballot pool who did not respond to the prior ballot shall be permitted to vote in the Final Ballot. In the Final Ballot, votes shall be counted by exception only — members on the Final Ballot may indicate a revision to their original vote; otherwise their vote shall remain the same as in their prior ballot.

There is no formal comment period concurrent with the Final Ballot and no obligation for the drafting team to respond to any comments submitted during the Final Ballot.

#### **4.1514: Final Ballot Results**

~~There are no limits to the number of public comment periods and ballots that can be conducted to result in a Reliability Standard or interpretation that is clear and enforceable, and achieves a quorum and sufficient affirmative votes for approval. The Standards Committee has the authority to conclude this process for a particular Reliability Standards action if it becomes obvious that the drafting team cannot develop a Reliability Standard that is within the scope of the associated SAR, is sufficiently clear to be enforceable, and achieves the requisite weighted Segment approval percentage.~~

The NERC Reliability Standards Staff shall post the final outcome of the ballot process. If the Reliability Standard is rejected, the Standards Committee may decide whether to end all further work on the proposed standard, return the project to informal development, or continue holding ballots to attempt to reach consensus on the proposed standard. If the Reliability Standard is approved, the Reliability Standard shall be posted and presented to the Board of Trustees by NERC management for adoption and subsequently filed with Applicable Governmental Authorities for approval.

#### **4.1615: Board of Trustees Adoption of Reliability Standards, Implementation Plan and VRFs and VSLs**

If a Reliability Standard and its associated implementation plan are approved by its ballot pool, the Board of Trustees shall consider adoption of that Reliability Standard and its associated implementation plan and shall direct the standard to be filed with Applicable Governmental Authorities for approval. In making its decision, the Board shall consider the results of the balloting and unresolved dissenting opinions. The Board shall adopt or reject a Reliability Standard and its implementation plan, but shall not modify a proposed Reliability Standard. If the Board chooses not to adopt a Reliability Standard, it shall provide its reasons for not doing so.

The ~~board~~Board shall consider approval of the VRFs and VSLs associated with a ~~reliability~~Reliability standardStandard. In making its determination, the board shall consider the following:

- The Standards Committee shall present the results of the non-binding poll conducted and a summary of industry comments received on the final posting of the proposed VRFs and VSLs.
- NERC Staff shall present a set of recommended VRFs and VSLs that considers the views of the standard drafting team, stakeholder comments received on the draft VRFs and VSLs during the posting for comment process, the non-binding poll results, appropriate governmental agency rules and directives, and VRF and VSL assignments for other Reliability Standards to ensure consistency and relevance across the entire spectrum of Reliability Standards.

#### **4.1716: Compliance**

For a Reliability Standard to be enforceable, it shall be approved by its ballot pool, adopted by the NERC Board of Trustees, and approved by Applicable Governmental Authorities, unless otherwise approved by the NERC Board of Trustees pursuant to the NERC Rules of Procedure (*e.g.*, Section 321) and approved by Applicable Governmental Authorities. Once a Reliability Standard is approved or otherwise made mandatory by Applicable Governmental Authorities, all persons and organizations subject to jurisdiction of the ERO will be required to comply with the Reliability Standard in accordance with applicable statutes, regulations, and agreements.

#### **4.1817: Withdrawal of a Reliability Standard, Interpretation, or Definition**

The term “withdrawal” as used herein, refers to the discontinuation of a Reliability Standard, Interpretation, Variance or definition that has been approved by the Board of Trustees and (1) has not been filed with Applicable Governmental Authorities, or (2) has been filed with, but not yet approved by, Applicable Governmental Authorities. The Standards Committee may withdraw a Reliability Standard, Interpretation or definition for good cause upon approval by the Board of Trustees. Upon approval by the Board of Trustees, NERC Staff will petition the Applicable Governmental Authorities, as needed, to allow for withdrawal. The Board of Trustees also has an independent right of withdrawal that is unaffected by the terms and conditions of this Section.

#### **4.1918: Retirement of a Reliability Standard, Interpretation, or Definition**

The term “retirement” refers to the discontinuation of a Reliability Standard, Interpretation or definition that has been approved by Applicable Governmental Authorities. A Reliability Standard, Variance or Definition may be retired when it is superseded by a revised version, and in such cases the retirement of the earlier version is to be noted in the implementation plan presented to the ballot pool for approval and the retirement shall be considered approved by the ballot pool upon ballot pool approval of the revised version.

Upon identification of a need to retire a Reliability Standard, Variance, Interpretation or definition, where the item will not be superseded by a new or revised version, a SAR containing the proposal to retire a Reliability Standard, Variance, Interpretation or definition will be posted for a comment period and ballot in the same manner as a Reliability Standard. The proposal shall include the rationale for the retirement and a statement regarding the impact of retirement on the reliability of the Bulk Power System. Upon approval by the Board of Trustees, NERC Staff will petition the Applicable Governmental Authorities to allow for retirement.

## Section 5.0: Process for Developing a Defined Term

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NERC maintains a glossary of approved terms, entitled the *Glossary of Terms Used in NERC Reliability Standards*<sup>27</sup> (“Glossary of Terms”). The Glossary of Terms includes terms that have been through the formal approval process and are used in one or more NERC Reliability Standards. Definitions shall not contain statements of performance Requirements. The Glossary of Terms is intended to provide consistency throughout the Reliability Standards.

There are several methods that can be used to add, modify or retire a defined term used in a continent-wide Reliability Standard.

- Anyone can use a Standard Authorization Request (“SAR”) to submit a request to add, modify, or retire a defined term.
- Anyone can submit a Standards Comments and Suggestions Form recommending the addition, modification, or retirement of a defined term. (The suggestion would be added to a project and incorporated into a SAR.)
- A drafting team may propose to add, modify, or retire a defined term in conjunction with the work it is already performing.

### 5.1: Proposals to Develop a New or Revised Definition

The following considerations should be made when considering proposals for new or revised definitions:

- Some NERC Regional Entities have defined terms that have been approved for use in Regional Reliability Standards, and where the drafting team agrees with a term already defined by a Regional Entity, the same definition should be adopted if needed to support a NERC Reliability Standard.
- If a term is used in a Reliability Standard according to its common meaning (as found in a collegiate dictionary), the term shall not be proposed for addition to the Glossary of Terms.
- If a term has already been defined, any proposal to modify or delete that term shall consider all uses of the definition in approved Reliability Standards, with a goal of determining whether the proposed modification is acceptable, and whether the proposed modification would change the scope or intent of any approved Reliability Standards.
- When practical, where NAESB has a definition for a term, the drafting team shall use the same definition to support a NERC Reliability Standard.

Any definition that is balloted separately from a proposed new or modified Reliability Standard or from a proposal for retirement of a Reliability Standard shall be accompanied by an implementation plan.

If a SAR is submitted to the NERC Reliability Standards Staff with a proposal for a new or revised definition, the Standards Committee shall consider the urgency of developing the new or revised definition and may direct NERC Staff to post the SAR immediately, or may defer posting the SAR until a later time based on its priority relative to other projects already underway or already approved for future development. If the SAR identifies a term that is used in a Reliability Standard already under revision by a drafting team, the Standards Committee may direct the drafting team to add the term to the scope of the existing project. Each time the Standards Committee accepts a SAR for a project that was not identified in the *Reliability Standards Development Plan*, the project shall be added to the list of approved projects.

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<sup>27</sup> The latest approved version of the Glossary of Terms is posted on the NERC website on the Standards web page.

## **5.2: Stakeholder Comments and Approvals**

Any proposal for a new or revised definition shall be processed in the same manner as a Reliability Standard and quality review shall be conducted in parallel with this process. Once authorized by the Standards Committee, the proposed definition and its implementation plan shall be posted for at least one formal stakeholder comment period and shall be balloted in the same manner as a Reliability Standard. If a new or revised definition is proposed by a drafting team, that definition may be balloted separately from the associated Reliability Standard.

Each definition that is approved by its ballot pool shall be submitted to the NERC Board of Trustees for adoption and then filed with Applicable Governmental Authorities for approval in the same manner as a Reliability Standard.

## Section 6.0: Processes for Conducting Field Tests and Collecting and Analyzing Data

While most drafting teams can develop ~~their~~ Reliability Standards without the need to conduct any field tests and without the need to collect and analyze data, some Reliability Standard development efforts may ~~require benefit from~~ field tests to analyze data and validate concepts in the development of Reliability Standards. ~~Drafting teams are not required to collect and analyze data or to conduct a field test to validate a Reliability Standard.~~

~~There are two types of field tests – tests of concepts and tests of requirements. A field test is initiated by either a SAR or Reliability Standard drafting team. The drafting team is responsible for developing the field test plan, including the implementation schedule, and identifying compliance-related issues, such as the potential need for compliance waivers.~~

### 6.1: Field Tests and Data Analysis ~~for Validation of Concepts (collectively “field test”)~~

- ~~Field tests or collection and analysis of data to validate concepts that supports supporting the development of Requirements Reliability Standards should be conducted before finalizing the SAR for a project is finalized. If an entity wants to test a technical concept in support of a proposal for a new or revised Reliability Standard, the entity should either work with one of NERC’s technical committees in collecting and analyzing the data or in conducting the field test, or the entity should submit a SAR with a request to collect and analyze data or conduct a field test to validate the concept prior to developing a new or revised Reliability Standard. The request to collect and analyze data or conduct a field test should include, at a minimum, either the data collection and analysis or field test plan, the implementation schedule, and an expectation for periodic updates of the analysis of the results. If the SAR sponsor has not collected and analyzed the data or conducted the field test, the Standards Committee may solicit support from NERC’s technical committees or others in the industry. The results of the data collection and analysis or field test shall then be used to determine whether to add the SAR to the list of projects in the Reliability Standard Development Plan.~~
- ~~To conduct a field test of a technical concept in a proposed new or revised Reliability Standard, the drafting team shall work with NERC Staff to identify one of NERC’s technical committees to oversee the field test as well as other technical committees with relevant technical expertise.~~
- ~~The drafting team shall perform the field test, in coordination with NERC Staff and under the supervision of the assigned technical committee, in accordance with an approved field test plan. The drafting team may be assisted by other individuals based on the required expertise needed to support the field test.~~
- ~~The lead NERC technical committee shall identify potential field test participants.~~

#### 6.1.1: Field Test Approval

~~The request to conduct a field test shall include, at a minimum:~~

- ~~the field test plan;~~
- ~~the implementation schedule; and~~
- ~~a schedule for providing periodic updates regarding field test results and analysis to the lead NERC technical committee.~~

~~Prior to the drafting team conducting a field test, the drafting team shall: (i) first receive approval from the lead NERC technical committee; and (ii) then receive approval from the Standards Committee.~~

The lead NERC technical committee shall base its approval on the technical adequacy of the field test request. Following approval, the lead NERC technical committee shall provide a recommendation to the Standards Committee for the disposition of the field test request.

The Standards Committee's decision to approve the field test request shall be based on: (i) an affirmative recommendation from the lead NERC technical committee regarding the field test plan; and (ii) the Standards Committee's approval of the implementation schedule and the periodic update schedule. If the Standards Committee rejects the field test request, the Standards Committee shall provide an explanation of the decision to the lead NERC technical committee.

### **6.1.2: Compliance Waivers**

~~If the conduct of a field test (concepts or Requirements) or data collection and analysis could~~ Compliance waivers may be required for Registered Entities that would be rendered Registered Entities incapable of complying with the current Requirement(s) of an approved currently-enforceable Reliability Standard that is undergoing revision, the drafting team shall request a temporary waiver from compliance to those Requirements for entities due to their participating in the field test. Upon request, the Standards Committee shall seek approval for the waiver from ~~the~~ The NERC Compliance Monitoring and Enforcement Program Staff prior to the approval of the field test or data collection and analysis. shall determine whether to approve any such compliance waivers and shall be responsible for approving any modifications or terminations to approved waivers that may become necessary in the course of conducting the field test. Staff shall notify the affected Registered Entities of all compliance waiver determinations.

### **6.1.3: Field Test Suspension for Reliability Concerns**

During the field test, if NERC or the lead NERC technical committee overseeing the field test determines that the field test is creating a reliability risk to the Bulk Power System, NERC or the lead NERC technical committee shall:

- stop the activity;
- inform the Standards Committee that the activity was stopped; and
- if NERC or the lead technical committee is of the opinion a modification to the field test is necessary, provide a technical justification to the drafting team.

The Standards Committee, with the assistance of NERC Staff, shall:

- document the cessation or modification of the field test; and
- notify NERC Compliance Monitoring and Enforcement Program Staff to coordinate any compliance-related issues such as continuing or terminating waivers, where applicable (see Section 6.1.2).

Prior to modifying the field test or restarting the field test after it has been stopped, the drafting team shall resubmit the field test request and receive approval as outlined in Section 6.1.1.

### **6.1.4: Continuing, Modifying, or Terminating a Field Test**

If the drafting team determines that a field test does not provide sufficient information to formulate a conclusion within the time allotted in the plan, it shall provide to the lead NERC technical committee and the chair of the Standards Committee a recommendation to continue, modify, or terminate the field test. The lead NERC technical committee shall either approve or reject a request to continue, modify, or terminate the field test and thereafter provide notice to the Standards Committee chair of its decision. The Standards Committee shall notify NERC Compliance Monitoring and Enforcement Program Staff to coordinate any compliance-related issues such as continuing or terminating waivers (see Section 6.1.2).



If the duration of the field test is extended beyond the period of standard development, NERC Staff shall post the preliminary report and results on the NERC web site prior to the final ballot of the Reliability Standard.

## ~~6.2: Field Tests and Data Analysis for Validation of Requirements~~

~~If a drafting team wants to conduct a field test or collect and analyze data to validate its proposed Requirements in a Reliability Standard, the team shall first obtain approval from the Standards Committee.<sup>28</sup> Drafting teams are not required to collect and analyze data or to conduct a field test to validate a Reliability Standard.~~

~~The request should include at a minimum the data collection and analysis or field test plan, the implementation schedule, and an expectation for periodic updates of the results. When authorizing a drafting team to collect and analyze data or to conduct a field test of one or more Requirements, the Standards Committee may request inputs on technical matters related from NERC's technical committees or industry experts, and may request the assistance of the Compliance Monitoring and Enforcement Program. All data collection and analysis and all field tests shall be concluded and the results incorporated into the Reliability Standard Requirements as necessary before proceeding to the formal comment period and subsequent balloting.~~

## **6.32: Communication and Coordination for All Types of Field Tests and Data Analyses**

Prior to initiating the field test, the Standards Committee chair and the lead NERC technical committee chair shall inform the Board of Trustees of the pending field test, the expected duration, and any requested compliance waivers.

During the field test, the drafting team shall provide periodic updates (no less than quarterly) on the progress of the field test to the Standards Committee and the NERC technical committees. Prior to the ballot of any standard involving a field test, the drafting team shall provide to the Standards Committee either: (i) a preliminary report of the field test results of the field test to date, if the field test will continue beyond standard development; or (ii) a final report of the field test results. The Standards Committee chair shall keep the Board of Trustees informed regarding field test status.

~~Once a plan for a field test or a plan for data collection and analysis is approved, the NERC Reliability Standards Staff shall, under the direction of the Standards Committee, coordinate the implementation of the field test or data collection and analysis and shall provide official notice to the participants in the field test or data collection of any applicable temporary waiver to compliance with specific noted Requirements. The drafting team conducting the field test shall provide periodic updates on the progress of the field tests or data collection and analysis to the Standards Committee. The Standards Committee has the right to curtail a field test or data collection and analysis that is not implemented in accordance with the approved plan.~~

~~The approved field test plan and any modifications thereto, along with or data collection and analysis plan, its approval, its participants, and all field test reports and results, shall be publicly posted for stakeholder review on the Reliability Standards NERC web page site. The participant list shall also be posted, unless posting this list would present confidentiality or other concerns.~~

~~If a drafting team conducts or participates in a field test or in data collection and analysis (of concepts or Requirements), it shall provide a final report that identifies the results and how those results will be used.~~

<sup>28</sup> ~~The Process for Approving Data Collection and Analysis and Field Tests Associated with a Reliability Standard is posted on the Reliability Standards Resources web page.~~

## Section 7.0: Process for Developing an Interpretation

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. A valid Interpretation response provides additional clarity about one or more Requirements, but does not expand on any Requirement and does not explain how to comply with any Requirement. Any entity that is directly and materially affected by the reliability of the North American Bulk Power Systems may request an Interpretation of any Requirement in any continent-wide Reliability Standard that has been adopted by the NERC Board of Trustees. Interpretations will only be provided for Board of Trustees-approved Reliability Standards *i.e.* (i) the current effective version of a Reliability Standard; or (ii) a version of a Reliability Standard with a future effective date.

### 7.1: Valid Interpretation Criteria

~~An~~ A valid Interpretation may only clarify or ~~interpret~~ explain the meaning of the language of the Requirement(s) of an approved Reliability Standard, including, if applicable, any ~~referenced~~ attachment ~~referenced in the Requirement being clarified~~. A valid Interpretation may not alter the scope or language of a Requirement or referenced attachment. No other elements of an approved Reliability Standard are subject to ~~an~~ Interpretation.

### 7.2: Process for Requesting an Interpretation

The entity requesting ~~the~~ an Interpretation shall submit a *Request for Interpretation* form<sup>29</sup> to ~~the~~ NERC Reliability Standards Staff explaining the clarification ~~or explanation~~ ~~required~~ requested, the specific circumstances surrounding the request, and the impact of not having the Interpretation provided. ~~The~~ NERC Reliability Standards and Legal Staffs shall review the request for ~~interpretation~~ Interpretation to determine whether it meets the ~~requirements~~ criteria for a valid ~~interpretation~~ Interpretation. Based on this review, ~~the~~ NERC Standards and Legal Staffs shall make a recommendation to the Standards Committee whether to accept the request for Interpretation and move forward in responding to the Interpretation request. ~~NERC Staff shall periodically communicate to the Standards Committee the status of all Interpretation requests that are pending resolution.~~

#### 7.2.1: Rejection of an Interpretation Request

~~For example,~~ The Standards Committee may reject a request for ~~an~~ Interpretation ~~request may be rejected where it in~~ the following circumstances:

- ~~The~~ Requests ~~request seeks~~ approval of a particular compliance approach.<sup>30</sup>
- ~~Identifies a gap or perceived weakness in the approved Reliability Standard;~~
- ~~The~~ ~~Where~~ an issue can be addressed by ~~incorporating the issue into an active existing standard~~ drafting team development project or a project contemplated in a published development plan.;
- ~~The~~ ~~Where it~~ requests ~~seeks~~ clarification ~~or explanation~~ of any element of a Reliability Standard other than a Requirement ~~or referenced attachment~~.;
- ~~Where a question~~ ~~The issue~~ has already been addressed in the record.<sup>31</sup>;
- ~~Where the Interpretation~~ ~~The request~~ identifies an issue and proposes the development of a new or modified Reliability Standard; (such issues should be addressed via submission of a SAR).;
- ~~Where an Interpretation~~ ~~The request~~ seeks to ~~expand~~ alter the scope of a Reliability Standard; ~~or~~

<sup>29</sup> The *Request for Interpretation* form is posted on the NERC Standards web page.

<sup>30</sup> ~~Requests that seek approval of specific compliance approaches, or examples of compliance, are not candidates for Interpretations and should be pursued through the applicable NERC Compliance Monitoring and Enforcement Program processes.~~

<sup>31</sup> ~~The “record” is generally understood to refer to the record of development, regulatory approval record, or other materials developed to support the development or approval of a Reliability Standard.~~

- ~~Where t~~The meaning of a Reliability Standard is ~~plain on its face~~ clear and evident by inspection or the plain words that are written.

If the Standards Committee rejects the Interpretation request, it shall provide a written explanation for ~~the rejecting rejection the Interpretation~~ to the entity requesting the Interpretation within 10 business days of the decision to reject.

### **7.2.2: Acceptance of an Interpretation Request**

If the Standards Committee accepts the Interpretation request, ~~the NERC Standards Staff~~ it shall authorize NERC Staff to (i) form a ballot pool and (ii) assemble an Interpretation drafting team with the relevant expertise to address the interpretation for approval by the Standards Committee with the relevant expertise to address the request.

### **7.2.3: Development of an Interpretation**

As soon as practical, the Interpretation drafting team shall develop a “final draft” Interpretation, consistent with Section 7.1 providing the requested clarity. Interpretations shall be developed in accordance with the following process:

- NERC Staff shall review the draft Interpretation to determine whether it meets the criteria for a valid Interpretation and shall provide to the Standards Committee a recommendation to authorize posting or remand to the Interpretation drafting team for further work.
- The Standards Committee, after reviewing the recommendation, shall determine whether to authorize posting of the draft Interpretation for comment and ballot.
- Interpretations ~~will~~ shall be balloted in the same manner as Reliability Standards (see Section 4.0).

If ~~stakeholder comments the ballot results~~ indicate that there is not a consensus for the Interpretation, and the Interpretation drafting team cannot revise the Interpretation without violating the basic ~~expectations criteria for what constitutes a valid Interpretation (see Section 7.1), outlined above,~~ the Interpretation drafting team shall notify the Standards Committee of its conclusion and may submit a SAR with the proposed modification to the Reliability Standard. The entity that requested the Interpretation shall be notified in writing and the disposition of the Interpretation shall be posted.

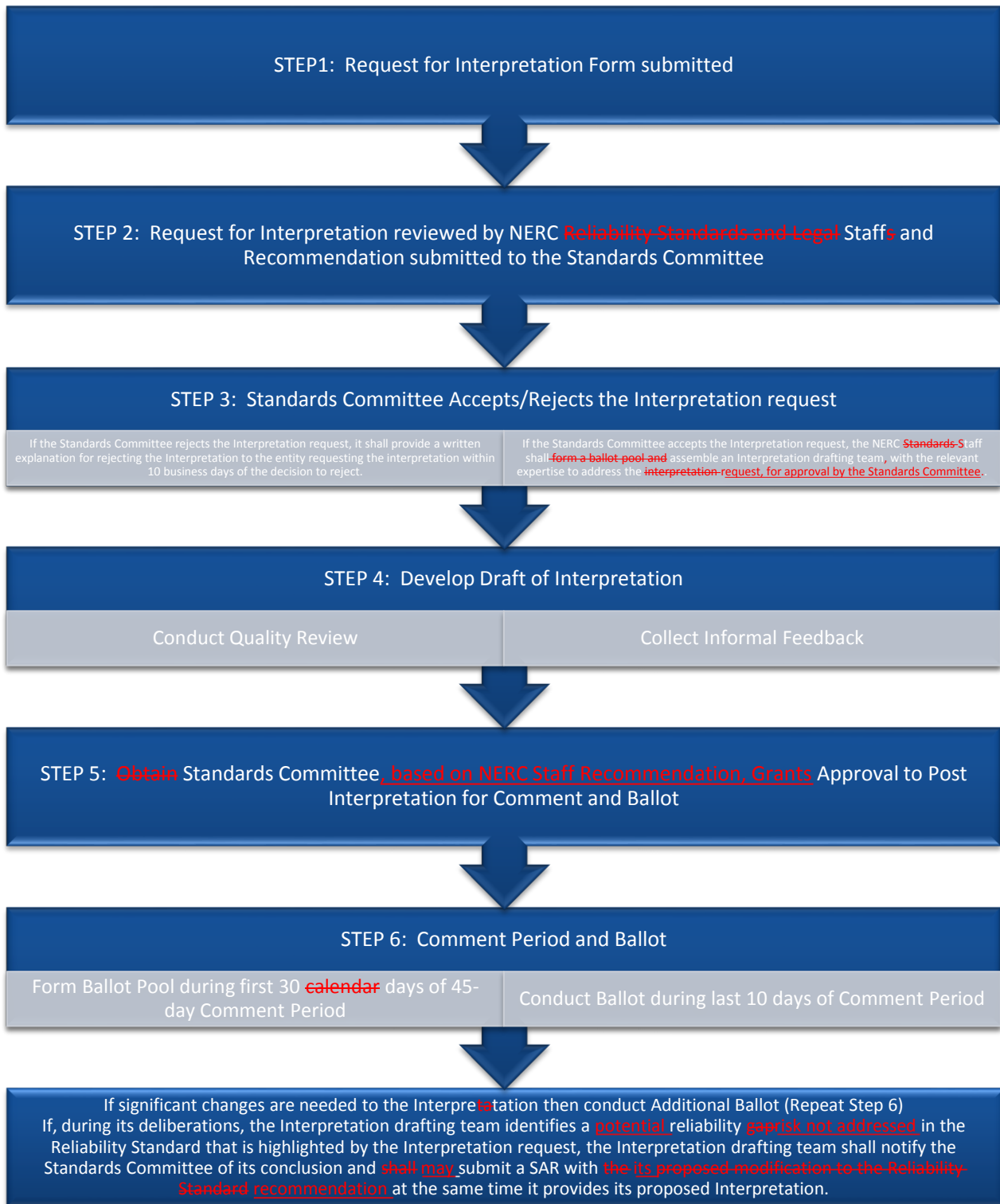
If, during its deliberations, the Interpretation drafting team identifies a potential reliability ~~gap risk not addressed~~ in the Reliability Standard that is highlighted by the Interpretation request, the Interpretation drafting team shall notify the Standards Committee of its conclusion and may submit a SAR with ~~the proposed modification to the Reliability Standard~~ its recommendation at the same time it provides its proposed Interpretation.

If the ballot pool approves the Interpretation, ~~The NERC Reliability Standards and Legal Staffs~~ shall review ~~the final Interpretation~~ it to determine whether it ~~has met~~ meets the ~~requirements criteria~~ for a valid Interpretation. ~~and Based on this review, the NERC Standards and Legal Staffs~~ shall make a recommendation to the NERC Board of Trustees regarding adoption.

~~If approved by its ballot pool, the Interpretation shall be forwarded to the NERC Board of Trustees for adoption.~~<sup>32</sup> If an Interpretation drafting team ~~proposes recommends a modification to~~ modifying a Reliability Standard ~~as part of based on~~ its work in developing ~~an the~~ Interpretation, the Board of Trustees shall be notified of this ~~proposal recommendation~~ at the time the Interpretation is submitted for adoption. Following ~~by the~~ Board of Trustees ~~adoption,~~ NERC Staff the Interpretation shall be filed with the Interpretation for approval by the Applicable Governmental Authorities, and the Interpretation shall become effective when approved by those Applicable

<sup>32</sup> ~~NERC will maintain a record of all interpretations associated with each standard on the Reliability Standards page of the NERC website.~~

Governmental Authorities.<sup>33</sup> The Interpretation shall stand until ~~such time as the Interpretation~~it can be incorporated into a future revision of the Reliability Standard or ~~the Interpretation~~is retired due to a future modification of the applicable Requirement.



<sup>33</sup> NERC will maintain a record of all interpretations associated with each standard on the Reliability Standards page of the NERC website.

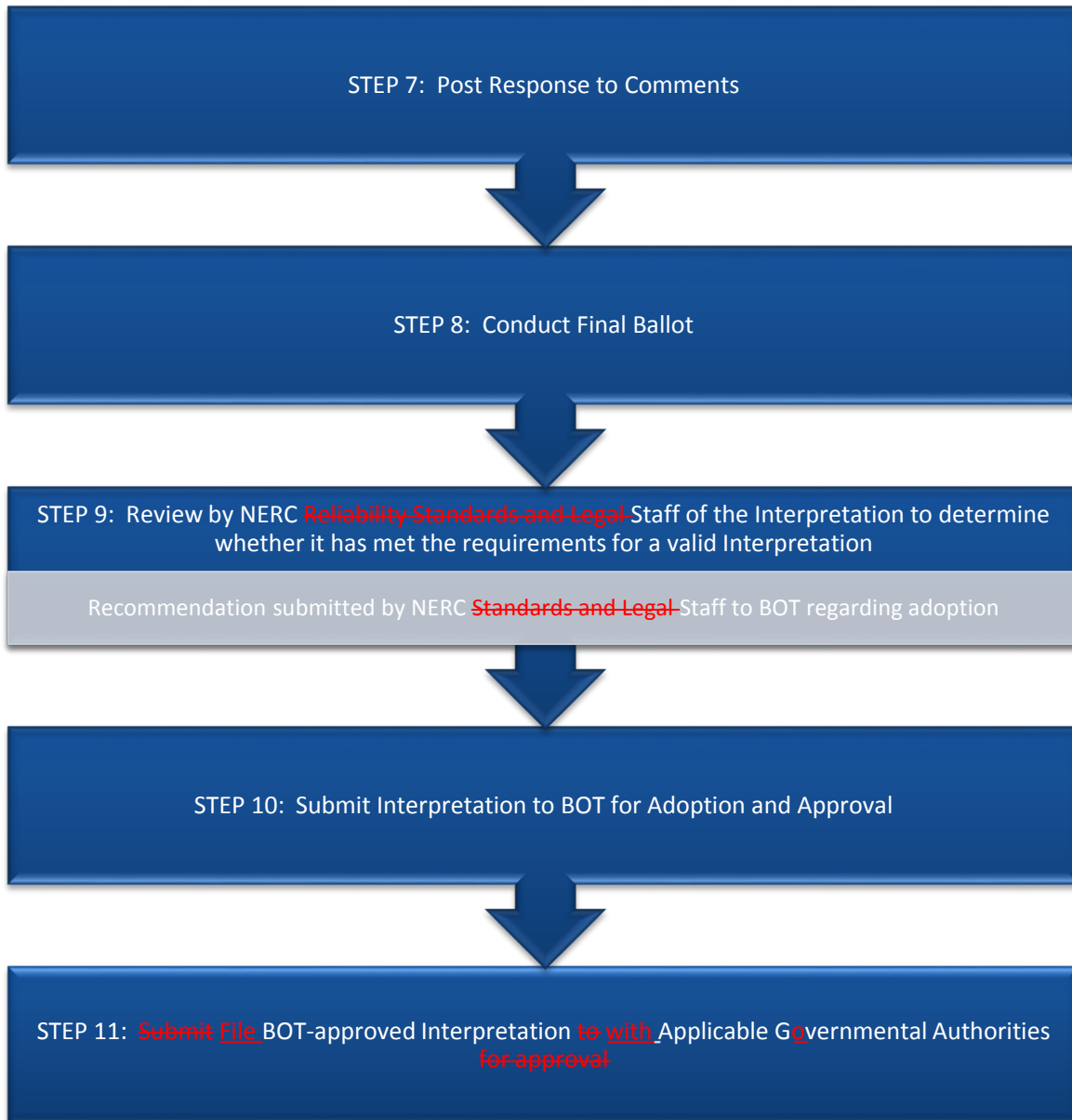


FIGURE 2: Process for Developing an Interpretation

## Section 8.0: Process for Appealing an Action or Inaction

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Any entity that has directly and materially affected interests and that has been or will be adversely affected by any procedural action or inaction related to the development, approval, revision, reaffirmation, retirement or withdrawal of a Reliability Standard, definition, Variance, associated implementation plan, or Interpretation shall have the right to appeal. This appeals process applies only to the NERC Reliability Standards processes as defined in this manual, not to the technical content of the Reliability Standards action.

The burden of proof to show adverse effect shall be on the appellant. Appeals shall be made in writing 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. 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.

### 8.1: Level 1 Appeal

Level 1 is the required first step in the appeals process. The appellant shall submit (to the Director of Standards) a complaint in writing that describes the procedural action or inaction associated with the Reliability Standards process. The appellant shall describe in the complaint the actual or potential adverse impact to the appellant. Assisted by NERC Staff and industry resources as needed, the Director of Standards or its designee 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 shall be made a part of the public record associated with the Reliability Standard.

At any time prior to receiving the written response to the Level 1 Appeal, an appellant may withdraw the Level 1 Appeal with written notice to the Director of Standards.

### 8.2: 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 Director of Standards, the Director of Standards or its designee shall convene a Level 2 Appeals Panel. This panel shall consist of five members 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 NERC Reliability Standards Staff 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 entity that is directly and materially affected by the 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, definition, Variance or Interpretation or implementation plan as these responsibilities remain with the ballot pool and Board of Trustees respectively. The actions of the Level 2 Appeals Panel shall be publicly posted.

At any time prior to the meeting of the Level 2 Appeals Panel, an appellant may withdraw the Level 2 Appeal and accept the results of the Level 1 Appeal by providing written notice to the Director of Standards.

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, definition, Variance or Interpretation. The objection shall 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

shall be filed no later than 30 days after the announcement of the vote by the ballot pool on the Reliability Standard in question.

## Section 9.0: Process for Developing a Variance

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A Variance is an approved, alternative method of achieving the reliability intent of one or more Requirements in a Reliability Standard. No Regional Entity or Bulk Power System owner, operator, or user shall claim a Variance from a NERC Reliability Standard without approval of such a Variance through the relevant Reliability Standard approval procedure for the Variance. Each Variance from a NERC Reliability Standard that is approved by NERC and Applicable Governmental Authorities shall be made an enforceable part of the associated NERC Reliability Standard.

NERC's drafting teams shall aim to develop Reliability Standards with Requirements that apply on a continent-wide basis, minimizing the need for Variances while still achieving the Reliability Standard's reliability objectives. If one or more Requirements cannot be met or complied with as written because of a physical difference in the Bulk Power System or because of an operational difference (such as a conflict with a federally or provincially approved tariff), but the Requirement's reliability objective can be achieved in a different fashion, an entity or a group of entities may pursue a Variance from one or more Requirements in a continent-wide Reliability Standard. It is the responsibility of the entity that needs a Variance to identify that need and initiate the processing of that Variance through the submittal of a SAR<sup>34</sup> that includes a clear definition of the basis for the Variance.

There are two types of Variances – those that apply on an Interconnection-wide basis, and those that apply to one or more entities on less than an Interconnection-wide basis.

### 9.1: Interconnection-wide Variances

Any Variance from a NERC Reliability Standard Requirement that is proposed to apply to Registered Entities within a Regional Entity organized on an Interconnection-wide basis shall be considered an Interconnection-wide Variance and shall be developed through that Regional Entity's NERC-approved Regional Reliability Standards development procedure.

Where a Regional Entity is not organized on an Interconnection-wide basis, but a Variance is proposed to apply to Registered Entities within an Interconnection wholly contained in that Regional Entity's footprint, the Variance may be developed through that Regional Entity's NERC-approved Regional Reliability Standards development procedure.

While an Interconnection-wide Variance may be developed through the associated Regional Reliability Standards development process, Regional Entities are encouraged to work collaboratively with existing continent-wide drafting teams to reduce potential conflicts between the two efforts.

An Interconnection-wide 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 associated NERC Reliability Standard. NERC shall rebuttably presume that an Interconnection-wide Variance from a NERC Reliability Standard that is developed, in accordance with a Regional Reliability Standards development 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.

### 9.2: Variances that Apply on Less than an Interconnection-wide Basis

Any Variance from a NERC Reliability Standard Requirement that is proposed to apply to one or more entities but less than an entire Interconnection (*e.g.*, 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 considered a Variance. A Variance may be requested while a Reliability Standard is under development or a Variance may be requested at any time after a Reliability Standard is approved. Each request for a Variance shall be initiated through a SAR, and processed and

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<sup>34</sup> A sample of a SAR that identifies the need for a Variance and a sample Variance are posted as resources on the Reliability Standards Resources web page.



approved in the same manner as a continent-wide Reliability Standard, using the Reliability Standards development process defined in this manual.

## Section 10.0: Processes for Developing a Reliability Standard Related to a Confidential Issue

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While it is NERC's intent to use its ANSI-accredited Reliability Standards development process for developing its Reliability Standards, NERC has an obligation as the ERO to ensure that there are Reliability Standards in place to preserve the reliability of the interconnected Bulk Power Systems throughout North America. When faced with a national security emergency situation, NERC may use one of the following special processes to develop a Reliability Standard that addresses an issue that is confidential. Reliability Standards developed using one of the following processes shall be called, "special Reliability Standards" and shall not be filed with ANSI for approval as American National Standards.

The NERC Board of Trustees may direct the development of a new or revised Reliability Standard to address a national security situation that involves confidential issues. These situations may involve imminent or long-term threats. In general, these Board directives will be driven by information from the President of the United States of America or the Prime Minister of Canada or a national security agency or national intelligence agency of either or both governments indicating (to the ERO) that there is a national security threat to the reliability of the Bulk Power System.<sup>35</sup>

There are two special processes for developing Reliability Standards responsive to confidential issues – one process where the confidential issue is "imminent," and one process where the confidential issue is "not imminent."

### 10.1: Process for Developing Reliability Standards Responsive to Imminent, Confidential Issues

If the NERC Board of Trustees directs the immediate development of a new or revised Reliability Standard to address a confidential national security emergency situation, the NERC Reliability Standards Staff shall develop a SAR, form a ballot pool (to vote on the Reliability Standard and its implementation plan) and assemble a slate of pre-defined subject matter experts as a proposed drafting team for approval by the Standards Committee's officers. All members of the Registered Ballot Body shall have the opportunity to join the ballot pool.

### 10.2: Drafting Team Selection

The Reliability Standard drafting team selection process shall be limited to just those candidates who have already been identified as having the appropriate security clearance, the requisite technical expertise, and either have signed or are willing to sign a strict confidentiality agreement.

### 10.3: Work of Drafting Team

The Reliability Standard drafting team shall perform all its work under strict security and confidentiality rules. The Reliability Standard drafting team shall develop the new or revised Reliability Standard and its implementation plan.

The Reliability Standard drafting team shall review its work, to the extent practical, as it is being developed with officials from the appropriate governmental agencies in the U.S. and Canada, under strict security and confidentiality rules.

### 10.4: Formal Stakeholder Comment & Ballot Window

The draft Reliability Standard and its implementation plan shall be distributed for a formal comment period, under strict confidentiality rules, only to those entities that are listed in the NERC Compliance Registry to perform one of the functions identified in the applicability section of the Reliability Standard and have identified individuals from

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<sup>35</sup> The NERC Board may direct the immediate development and issuance of a Level 3 (Essential Action) alert and then may also direct the immediate development of a new or revised Reliability Standard.

their organizations that have signed confidentiality agreements with NERC.<sup>36</sup> At the same time, the Reliability Standard shall be distributed to the members of the ballot pool for review and ballot. The NERC Reliability Standards Staff shall not post or provide the ballot pool with any confidential background information.

The drafting team, working with the NERC Reliability Standards Staff, shall consider and respond to all comments, make any necessary conforming changes to the Reliability Standard and its implementation plan, and shall distribute the comments, responses and any revision to the same population as received the initial set of documents for formal comment and ballot.

### **10.5: Board of Trustee Actions**

Each Reliability Standard and implementation plan developed through this process shall be submitted to the NERC Board of Trustees for adoption.

### **10.6: Governmental Approvals**

All approved documents shall be filed for approval with Applicable Governmental Authorities.

### **10.7: Developing a Reliability Standard Responsive to an Imminent, Confidential Issue**

[The following flowchart illustrates the process for developing a Reliability Standard responsive to an imminent, confidential issue:](#)

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<sup>36</sup> In this phase of the process, only the proposed Reliability Standard shall be distributed to those entities expected to comply, not the rationale and justification for the Reliability Standard. Only the special drafting team members, who have the appropriate security credentials, shall have access to this rationale and justification.

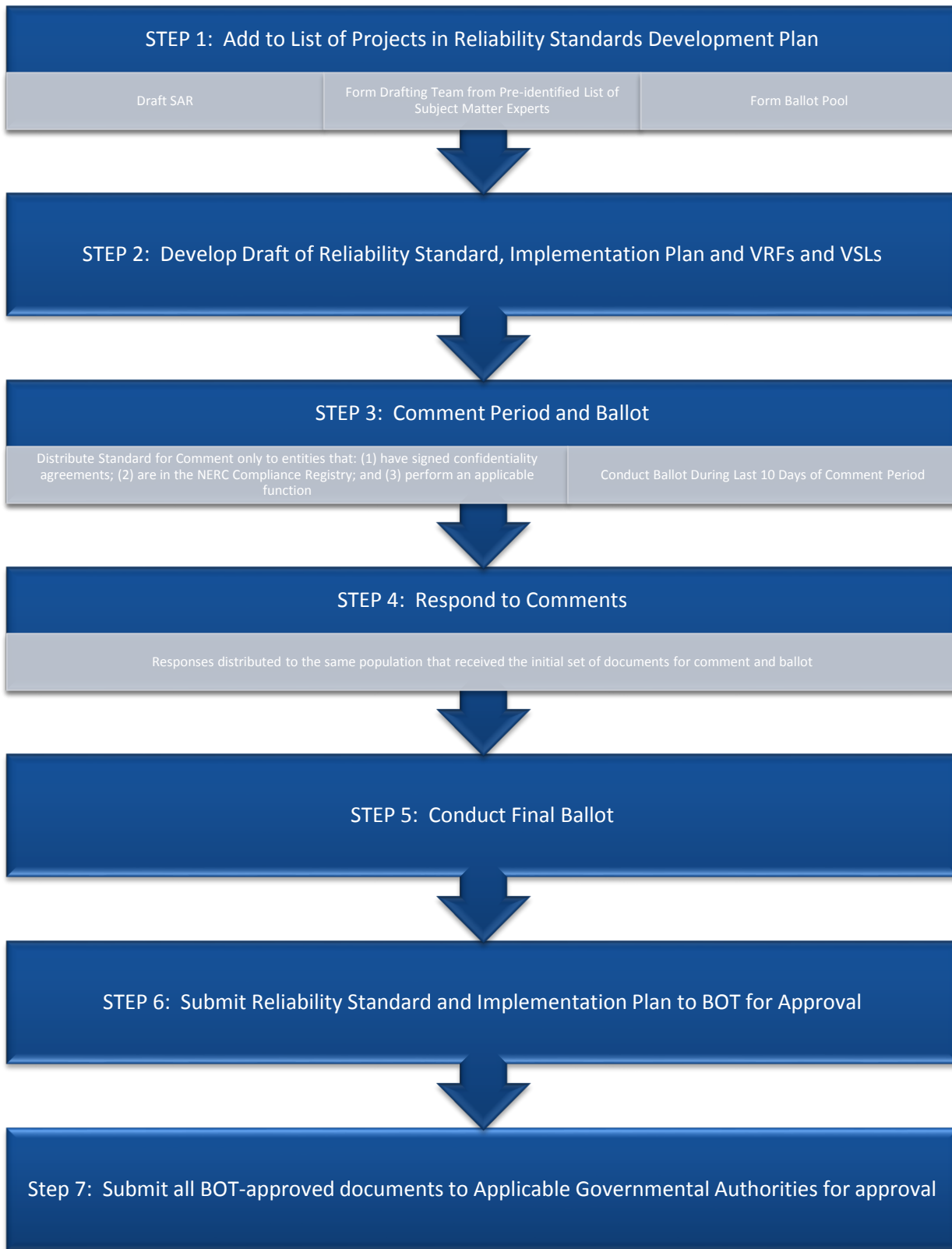


FIGURE 3: Process for Developing a Standard Responsive to an Imminent, Confidential Issue

## **10.8: Process for Developing Reliability Standards Responsive to Non-imminent, Confidential Issues**

If the NERC Board of Trustees directs the immediate development of a new or revised Reliability Standard to address a confidential national security emergency situation, the NERC Reliability Standards Staff shall develop a SAR, form a ballot pool (to vote on the Reliability Standard and its implementation plan) and assemble a slate of pre-defined subject matter experts as a proposed drafting team for approval by the Standards Committee's officers. All members of the Registered Ballot Body shall have the opportunity to join the ballot pool.

## **10.9: Drafting Team Selection**

The drafting team selection process shall be limited to just those candidates who have already been identified as having the appropriate security clearance, the requisite technical expertise, and either have signed or are willing to sign a strict confidentiality agreement.

## **10.10: Work of Drafting Team**

The drafting team shall perform all its work under strict security and confidentiality rules. The Reliability Standard drafting team shall develop the new or revised Reliability Standard and its implementation plan.

The drafting team shall review its work, to the extent practical, as it is being developed with officials from the Applicable Governmental Authorities, under strict security and confidentiality rules.

## **10.11: Formal Stakeholder Comment & Ballot Window**

The draft Reliability Standard and its implementation plan shall be distributed for a formal comment period, under strict confidentiality rules, only to those entities that are listed in the NERC Compliance Registry to perform one of the functions identified in the applicability section of the Reliability Standard and have identified individuals from their organizations that have signed confidentiality agreements with NERC.<sup>37</sup> At the same time, the Reliability Standard shall be distributed to the members of the ballot pool for review and ballot. The NERC Reliability Standards Staff shall not post or provide the ballot pool with any confidential background information.

## **10.12: Revisions to Reliability Standard, Implementation Plan and VRFs and VSLs**

The drafting team, working with the NERC Reliability Standards Staff, shall work to refine the Reliability Standard, implementation plan and VRFs and VSLs in the same manner as for a new Reliability Standard following the "normal" Reliability Standards development process described earlier in this manual with the exception that distribution of the comments, responses, and new drafts shall be limited to those entities that are in the ballot pool and those entities that are listed in the NERC Compliance Registry to perform one of the functions identified in the applicability section of the Reliability Standard and have identified individuals from their organizations that have signed confidentiality agreements with NERC.

## **10.13: Board of Trustee Action**

Each Reliability Standard, implementation plan, and the associated VRFs and VSLs developed through this process shall be submitted to the NERC Board of Trustees for adoption.

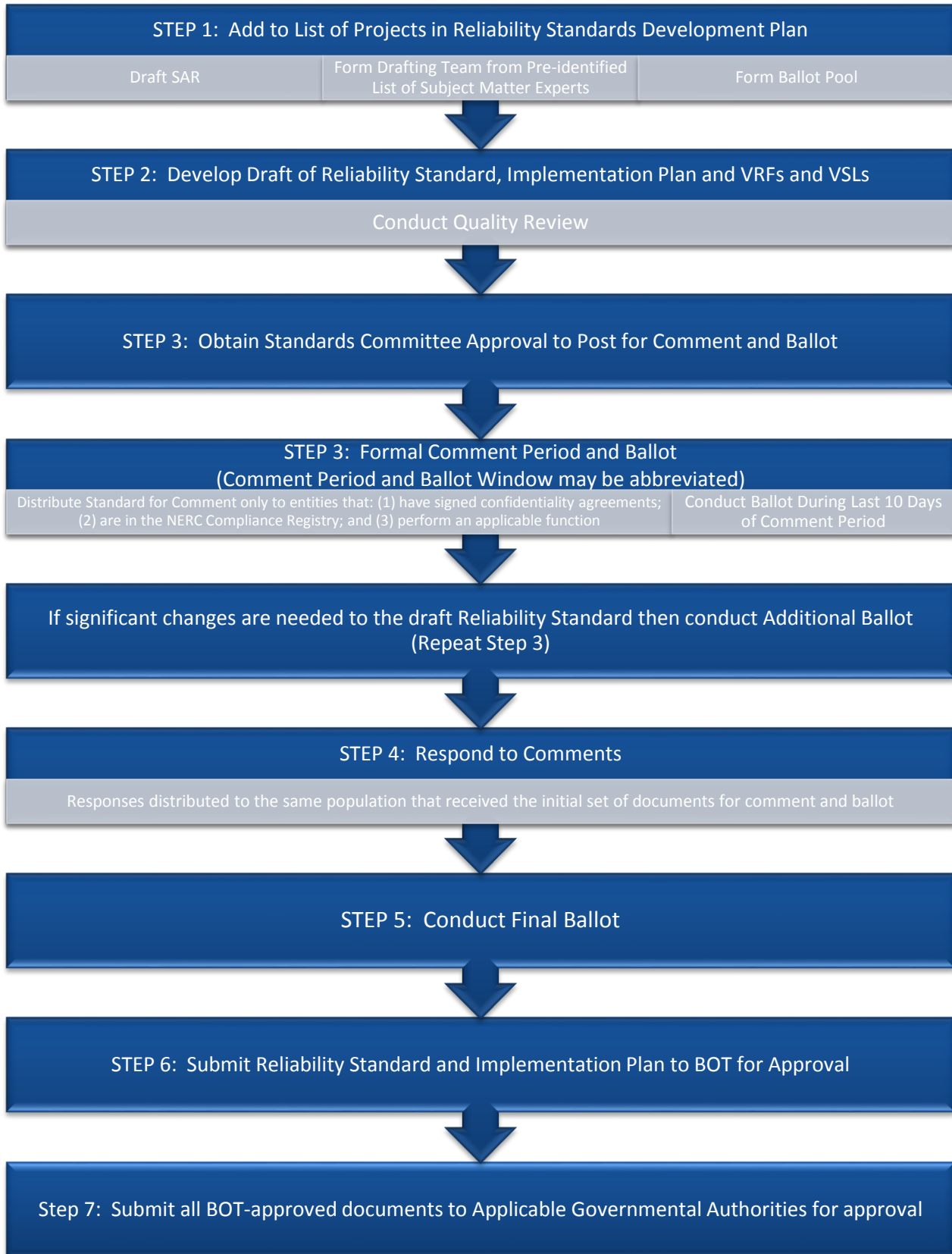
## **10.14: Governmental Approvals**

All BOT-approved documents shall be filed for approval with Applicable Governmental Authorities.

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<sup>37</sup> In this phase of the process, only the proposed Reliability Standard shall be distributed to those entities expected to comply, not the rationale and justification for the Reliability Standard. Only the special drafting team members, who have the appropriate security credentials, shall have access to this rationale and justification.

**Developing a Reliability Standard Responsive to a Non-imminent, Confidential Issue**



**FIGURE 4: Developing a Standard Responsive to a Non-Imminent, Confidential Issue**

## Section 11.0: Process for **Approving Posting Supporting Technical Documents** Alongside an Approved Reliability Standard

The NERC Standards Committee oversees the development and approval of technical documents identified as supporting documents to Reliability Standards approved by the Applicable Governmental Authority. The following types of documents are samples of the types of supporting documents that may be developed to enhance stakeholder understanding and implementation of a Reliability Standard. These Supporting technical documents may explain or facilitate implementation understanding of Reliability Standards but do not themselves contain mandatory Requirements subject to compliance review. Any mandatory Requirements ~~that are mandatory~~ shall be incorporated into the Reliability Standard in the Reliability Standard development process.

~~While most supporting documents are developed by the standard drafting team working to develop the associated Reliability Standard, any entity may develop a supporting document associated with a Reliability Standard. This Section provides the process by which any stakeholder may propose a supporting technical document to an approved Reliability Standard. The process outlined in this section is designed so each supporting document receives stakeholder review to verify the accuracy of the technical content prior to being posted as a supporting technical document to an approved Reliability Standard.~~

~~During the standard development process, standard drafting teams may develop and post supporting technical documents to the pertinent project page, in accordance with Section 4.0. Following approval of the Reliability Standard, those documents may be posted alongside an approved Reliability Standard the standard without requiring separate Standards Committee authorization under this Section.~~

~~The Standards Committee shall authorize the posting of all supporting references<sup>38</sup> that are linked to an approved Reliability Standard. Prior to granting approval to post a supporting reference with a link to the associated Reliability Standard, the Standards Committee shall verify The process outlined in this section is designed so each that the supporting document has had receives stakeholder review to verify the accuracy of the technical content prior to being posted as a supporting technical document to an approved Reliability Standard. While the Standards Committee has the authority to approve the posting of each such reference, stakeholders, not the Standards Committee, verify the accuracy of the document's contents.~~

### **11.1: Types of Supporting Technical Documents**

The types of supporting technical documents that may be approved for posting alongside an approved Reliability Standard under this Section are listed below.

Type of Document	Description
Reference	<del>Descriptive, technical information or analysis or explanatory information to support the understanding and interpretation of an approved 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.</del>
Guideline	<del>Recommended process that identifies a method of meeting a Requirement under specific conditions.</del>

<sup>38</sup> The Standards Committee's Procedure for Approving the Posting of Reference Documents is posted on the Reliability Standards Resources web page.

Supplement	Data forms, pro forma documents, and associated instructions that support the implementation of a Reliability Standard.
Training Material	Documents that support the implementation of a Reliability Standard.
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.
Lessons Learned	Documents designed to convey lessons learned related to an approved Reliability Standard. A Lessons Learned document cannot establish new Requirements or modify Requirements in any existing Reliability Standard.
White Paper	An informal paper stating a position or concept. A white paper may have been used to propose preliminary concepts for a Reliability Standard or one of the documents above a Reference document.

Documents that contain specific compliance approaches or examples are not considered supporting technical documents under this Section.

## **11.2: Process for Proposing and Evaluating Supporting Technical Documents**

Proposals for supporting technical documents to approved Reliability Standards shall be submitted to the NERC Reliability Standards Staff.

NERC Staff shall conduct a review of the proposed supporting technical document. In performing this review, NERC Staff may consult any technical resources it deems appropriate. The purpose of this review is to determine whether the proposed supporting technical document meets the following criteria:

1. the document is a type of supporting technical document subject to this Section, as described in Section 11.1;
- 1-2. the document is consistent with the purpose and intent of the associated Reliability Standard; and
2. the document has received adequate stakeholder review to assess its technical adequacy, such as through a NERC technical committee review process, public comment period(s) held during the development of the associated Reliability Standard, or other stakeholder review process.
- 3.

If NERC Staff determines that the proposed supporting technical document meets all three criteria specified above, NERC Staff shall submit the proposed supporting technical document to the Standards Committee as specified in Section 11.3 below.

If NERC Staff determines that the proposed supporting technical document does not meet the first or second criterion specified above, NERC Staff shall notify the submitter, in writing, that the document will not be posted as a supporting technical document under this Section. This notification shall include an explanation of the basis for the decision. NERC Staff shall also notify the Standards Committee of its determination at the next regularly-scheduled Standards Committee meeting.



If NERC Staff determines that the proposed supporting technical document meets the first and second criteria, but has not yet received adequate stakeholder review under the third criterion, NERC Staff shall make a recommendation to the Standards Committee to authorize posting the proposed supporting technical document for stakeholder review to verify the accuracy of the technical content. This comment period shall be for 30 days, unless the Standards Committee directs otherwise. Upon conclusion of the comment period, NERC Staff shall compile the comments and provide them to the submitter for consideration. If the submitter modifies the proposed supporting technical document based on stakeholder comments, NERC Staff may post the document for additional comment periods to provide for sufficient technical review.

### **11.3: Approving a Supporting Technical Document**

After determining that the proposed supporting technical document meets the three criteria specified in Section 11.2, NERC Staff shall present the supporting technical document to the NERC Standards Committee with a recommendation regarding whether the Standards Committee should approve posting the supporting technical document with the approved Reliability Standard on the pertinent NERC website page(s).

## Section 12.0: Process for Correcting Errata

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From time to time, an error may be discovered in a Reliability Standard. Such errors may be corrected (i) following a Final Ballot prior to Board of Trustees adoption, (ii) following Board of Trustees adoption prior to filing with Applicable Governmental Authorities; and (iii) following filing with Applicable Governmental Authorities. If the Standards Committee agrees that the correction of the error does not change the scope or intent of the associated Reliability Standard, and agrees that the correction has no material impact on the end users of the Reliability Standard, then the correction shall be filed for approval with Applicable Governmental Authorities as appropriate. The NERC Board of Trustees has resolved to concurrently approve any errata approved by the Standards Committee.

## Section 13.0: Process for Conducting Periodic Reviews of Reliability Standards

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All Reliability Standards shall be reviewed at least once every ten years from the effective date of the Reliability Standard or the date of the latest Board of Trustees adoption to a revision of the Reliability Standard, whichever is later. If a Reliability Standard is approved by ANSI as an American National Standard, it shall be reviewed at least once every five years from the effective date of the Reliability Standard or the date of the latest Board of Trustees adoption to a revision of the Reliability Standard, whichever is later.

The *Reliability Standards Development Plan* shall include projects that address this five or ten-year review of Reliability Standards.

- If a Reliability Standard is nearing its five or ten-year review and has issues that need resolution, then the *Reliability Standards Development Plan* shall include a project for the complete review and associated revision of that Reliability Standard that includes addressing all outstanding governmental directives, all approved Interpretations, and all unresolved issues identified by stakeholders.
- If a Reliability Standard is nearing its five or ten-year review and there are no outstanding governmental directives, Interpretations, or unresolved stakeholder issues associated with that Reliability Standard, then the *Reliability Standards Development Plan* shall include a project solely for the “~~five-year~~periodic review” of that Reliability Standard.

For a project that is focused solely on the ~~five-year~~periodic review, the Standards Committee shall appoint a review team of subject matter experts to review the Reliability Standard and recommend whether the ~~American National Standard Institute-approved~~ Reliability Standard should be reaffirmed, revised, or withdrawn. Each review team shall post its recommendations for a ~~45-calendar~~ day formal stakeholder comment period and shall provide those stakeholder comments to the Standards Committee for consideration.

- If a review team recommends reaffirming a Reliability Standard, the Standards Committee shall submit the reaffirmation to the Board of Trustees for adoption and then to Applicable Governmental Authorities for approval. Reaffirmation does not require approval by stakeholder ballot.
- If a review team recommends modifying, or retiring a Reliability Standard, the team shall develop a SAR with such a proposal and the SAR shall be submitted to the Standards Committee for prioritization as a new project. Each existing Reliability Standard recommended for modification, or retirement shall remain in effect in accordance with the associated implementation plan until the action to modify or withdraw the Reliability Standard is approved by its ballot pool, adopted by the Board of Trustees, and approved by Applicable Governmental Authorities.

In the case of reaffirmation of a Reliability Standard, the Reliability Standard shall remain in effect until the next five or ten-year review or until the Reliability Standard is otherwise modified or withdrawn by a separate action.

## **Section 14.0: Public Access to Reliability Standards Information**

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### **14.1: Online Reliability Standards Information System**

The NERC Reliability Standards Staff shall maintain an electronic copy of information regarding currently proposed and currently in effect Reliability Standards. This information shall include current Reliability Standards in effect, proposed revisions to Reliability Standards, and proposed new Reliability 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.

### **14.2: Archived Reliability Standards Information**

The NERC Staff shall maintain a historical record of Reliability Standards information that is no longer maintained online. 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 Reliability Standard was no longer in effect. Archived records of Reliability Standards information shall be available electronically within 30 days following the receipt by the NERC Reliability Standards Staff of a written request.

## Section 15.0: Process for Updating Standard Processes

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### 15.1: Requests to Revise the Standard Processes Manual

Any person or entity may submit a request to modify one or more of the processes contained within this manual. The Standards Committee shall oversee the handling of each request. The Standards Committee shall prioritize all requests, merge related requests, and respond to each sponsor within 30 ~~calendar~~ days.

The Standards Committee shall post the proposed revisions for a 45-~~(calendar)~~ day formal comment period. Based on the degree of consensus for the revisions, the Standards Committee shall:

- Submit the revised process or processes for ballot pool approval;
- Repeat the posting for additional inputs after making changes based on comments received;
- Remand the proposal to the sponsor for further work; or
- 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 Reliability Standard, including the use of an Additional 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 submit to the Board a description of the basis for the changes, a summary of the comments received, and any minority views expressed in the comment and ballot process. The proposed revisions shall not be effective until approved by the NERC Board of Trustees and Applicable Governmental Authorities.

## Section 16.0: Waiver

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While it is NERC's intent to use its ANSI-accredited Reliability Standards development process for developing its Reliability Standards, NERC may need to develop a new or modified Reliability Standard, definition, Variance, [Interpretation](#), or implementation plan under specific time constraints (such as to meet a time constrained regulatory directive) or to meet an urgent reliability issue such that there isn't sufficient time to follow all the steps in the normal Reliability Standards development process.

The Standards Committee may waive any of the provisions contained in this manual for good cause shown, but limited to the following circumstances:

- In response to a national emergency declared by the United States or Canadian government that involves the reliability of the Bulk Electric System or cyber attack on the Bulk Electric System;
- Where necessary to meet regulatory deadlines;
- Where necessary to meet deadlines imposed by the NERC Board of Trustees; or
- Where the Standards Committee determines that a modification to a proposed Reliability Standard or its Requirement(s), a modification to a defined term, a modification to an interpretation, or a modification to a variance has already been vetted by the industry through the standards development process or is so insubstantial that developing the modification through the processes contained in this manual will add significant time delay.

In no circumstances shall this provision be used to modify the requirements for achieving quorum or the voting requirements for approval of a standard.

A waiver request may be submitted to the Standards Committee by any entity or individual, including NERC committees or subgroups and NERC Staff. Prior to consideration of any waiver request, the Standards Committee must provide five business days' notice to stakeholders.

Action on the waiver request will be included in the minutes of the Standards Committee. ~~Following the approval of the Standards Committee to waive any provision of the Standard Process Manual, the Standards Committee will report this decision to the Standards Oversight and Technology Committee.~~<sup>29</sup> Actions taken pursuant to an approved waiver request will be posted on the Standard Project page and included in the next project announcement.

In addition, the Standards Committee shall report the exercise of this waiver provision to the Board of Trustees prior to adoption of the related Reliability Standard, Interpretation, definition or Variance.

Reliability Standards developed as a result of a waiver of any provision of the Standard Processes Manual shall not be filed with ANSI for approval as American National Standards.

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~~<sup>29</sup> Any entity may appeal a waiver decision or any other procedural decision by the Standards Committee pursuant to Section 8.0 of the NERC Standard Processes Manual.~~

**NERC**

NORTH AMERICAN ELECTRIC  
RELIABILITY CORPORATION

# Standard Processes Manual

VERSION 4

Effective TBD

**RELIABILITY | ACCOUNTABILITY**



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# Section 1.0: Introduction

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## 1.1: Authority

This manual is published by the authority of the North American Electric Reliability Corporation (“NERC”) Board of Trustees. ~~The Board of Trustees, as necessary to maintain NERC’s certification as the Electric Reliability Organization (“ERO”), may file the manual with Applicable Governmental Authorities for approval as an ERO document. When approved, the manual is appended to~~ and has been incorporated into the NERC Rules of Procedure as Appendix 3A. It provides implementation detail in support of the ERONERC Rules of Procedure Section 300 — Reliability Standards Development.

Capitalized terms not otherwise defined herein, shall have the meaning set forth in the Definitions Used in the Rules of Procedure, Appendix 2 to the Rules of Procedure. Unless otherwise specified, any period of time that is counted in days shall refer to calendar days.

## 1.2: Scope

The policies and procedures in this manual shall govern the activities of ~~the North American Electric Reliability Corporation (“NERC”)~~ related to the development, approval, revision, reaffirmation, and withdrawal of Reliability Standards, Interpretations, Violation Risk Factors (“VRFs”), Violation Severity Levels (“VSLs”), definitions, Variances, and reference documents developed to support standards for the Reliable Operation and planning of the North American Bulk Power Systems.

This manual also addresses the role of the Standards Committee, drafting ~~team~~teams, and the ballot body in the development and approval of Compliance Elements in conjunction with standard development.

## 1.3: Background

NERC is a nonprofit corporation formed for the purpose of becoming the North American ERO. NERC works with all stakeholder segments of the electric industry, including electricity users, to develop Reliability Standards for the reliability planning and Reliable Operation of the North American Bulk Power Systems. 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 Reliability Standards mandatory for all Bulk Power System owners, operators, and users. Similar authorities are provided by Applicable Governmental Authorities in Canada. ~~NERC was~~The United States Federal Energy Regulatory Commission (“FERC”) certified NERC as the ERO effective July 2006. *North American Electric Reliability Corp.*, 116 FERC ¶ 61,062, *order on reh’g and compliance*, 117 FERC ¶ 61,126 (2006), *order on compliance*, 118 FERC ¶ 61,030 (2007).

## 1.4: Essential Attributes of NERC’s Reliability Standards Processes

NERC’s Reliability Standards development processes provide reasonable notice and opportunity for public comment, due process, openness, and balance of interests in developing a proposed Reliability Standard consistent with the attributes necessary for American National Standards Institute (“ANSI”) accreditation. The same attributes, as well as transparency, consensus-building, and timeliness, are also required under the ERO Rules of Procedure Section 304.

- **Open Participation**

Participation in NERC’s Reliability Standards development balloting and approval processes shall be open to all entities materially affected by NERC’s Reliability Standards. There shall be no financial barriers to participation in NERC’s Reliability Standards balloting and approval processes. Membership in the Registered Ballot Body shall not be conditional upon membership in any organization, nor unreasonably restricted on the basis of technical qualifications or other such requirements.

- **Balance**

NERC's Reliability Standards development processes shall not be dominated by any two interest categories, individuals, or organizations and no single interest category, individual, or organization is able to defeat a matter.

NERC shall use a voting formula that allocates each industry Segment an equal weight in determining the final outcome of any Reliability Standard action. The Reliability Standards development processes shall have a balance of interests. Participants from diverse interest categories shall be encouraged to join the Registered Ballot Body and participate in the balloting process, with a goal of achieving balance between the interest categories. The Registered Ballot Body serves as the consensus body voting to approve each new or proposed Reliability Standard, definition, Variance, and Interpretation.

- **Coordination and harmonization with other American National Standards activities**

NERC is committed to resolving any potential conflicts between its Reliability Standards development efforts and existing American National Standards and candidate American National Standards.

- **Notification of standards development**

NERC shall publicly distribute a notice to each member of the Registered Ballot Body, and to each stakeholder who indicates a desire to receive such notices, for each action to create, revise, reaffirm, or withdraw a Reliability Standard, definition, or Variance; and for each proposed Interpretation. Notices shall be distributed electronically, with links to the relevant information, and notices shall be posted on NERC's Reliability Standards web page. All notices shall identify a readily available source for further information.

- **Transparency**

The process shall be transparent to the public.

- **Consideration of views and objections**

Drafting teams shall give prompt consideration to the written views and objections of all participants as set forth herein. Drafting teams shall make an effort to resolve each objection that is related to the topic under review.

- **Consensus Building**

The process shall build and document consensus for each Reliability Standard, both with regard to the need and justification for the Reliability Standard and the content of the Reliability Standard.

- **Consensus vote**

NERC shall use its voting process to determine if there is sufficient consensus to approve a proposed Reliability Standard, definition, Variance, or Interpretation. NERC shall form a ballot pool for each Reliability Standard action from interested members of its Registered Ballot Body. Approval of any Reliability Standard action requires:

- A quorum, which is established by at least 75% of the members of the ballot pool submitting a response excluding unreturned ballots; and
- A two-thirds majority of the weighted Segment votes cast shall be affirmative. The number of votes cast during all stages of balloting except the final ballot is the sum of affirmative and negative votes with comments, excluding abstentions, non-responses, and negative votes without comments. During the final ballot, the number of votes cast is the sum of affirmative and negative votes, excluding abstentions and non-responses.

- **Timeliness**

Development of Reliability Standards shall be timely and responsive to new and changing priorities for reliability of the Bulk Power System.

- **Metric Policy**

The International System of units is the preferred units of measurement in NERC Reliability ~~Standard-  
Standards~~. However, because NERC's Reliability Standards apply in Canada, the United States and portions of Mexico, where applicable, measures are provided in both the metric and English units.

## 1.5: Ethical Participation

All participants in the NERC Standard development process, including drafting teams, quality reviewers, Standards Committee members and members of the Registered Ballot Body, are obligated to act in an ethical manner in the exercise of all activities conducted pursuant to the terms and conditions of the Standard Processes Manual and the standard development process.

## Section 2.0: Elements of a Reliability Standard

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### 2.1: Definition of a Reliability Standard

A Reliability Standard includes a set of Requirements that define specific obligations of owners, operators, and users of the North American Bulk Power Systems. The Requirements shall be material to reliability and measurable. A Reliability Standard is defined as follows:

“Reliability Standard” means a requirement, approved by the United States Federal Energy Regulatory Commission under Section 215 of the Federal Power Act, or approved or recognized by an applicable governmental authority in other jurisdictions, to provide for Reliable Operation of the Bulk Power System. The term includes requirements for the operation of existing Bulk Power System facilities, including cybersecurity protection, and the design of planned additions or modifications to such facilities to the extent necessary for Reliable Operation of the Bulk Power System, but the term does not include any requirement to enlarge such facilities or to construct new transmission capacity or generation capacity. (In certain contexts, this term may also refer to a “Reliability Standard” that is in the process of being developed, or not yet approved or recognized by FERC or an applicable governmental authority in other jurisdictions). ~~See Appendix 2 to the NERC Rules of Procedure, Definitions Used in the Rules of Procedure.~~<sup>1</sup>

### 2.2: Reliability Principles

NERC Reliability Standards are based on certain reliability principles that define the foundation of reliability for North American Bulk Power Systems.<sup>2</sup> Each Reliability Standard shall enable or support one or more of the reliability principles, thereby ensuring that each Reliability 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 Reliability Standard undermines reliability through an unintended consequence.

### 2.3: Market 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.<sup>3</sup> 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.

### 2.4: Types of Reliability Requirements

Generally, each Requirement of a Reliability Standard shall identify what Functional Entities shall do, and under what conditions, to achieve a specific reliability objective. Although Reliability Standards all follow this format, several types of Requirements may exist, each with a different approach to measurement.

- **Performance-based Requirements** define a specific reliability objective or outcome achieved by one or more entities that has a direct, observable effect on the reliability of the Bulk Power System, i.e. an effect that can be measured using power system data or trends. In its simplest form, a performance-based requirement has

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<sup>1</sup> [See Appendix 2 to the NERC Rules of Procedure, Definitions Used in the Rules of Procedure.](#)

<sup>2</sup> The intent of the set of NERC Reliability Standards is to deliver an adequate level of reliability. The latest set of reliability principles and the latest set of characteristics associated with an adequate level of reliability are posted on the Reliability Standards Resources web page.

<sup>3</sup> The latest set of market interface principles is posted on the Reliability Standards Resources web page.

four components: who, under what conditions (if any), shall perform what action, to achieve what particular result or outcome.

- **Risk-based Requirements** define actions by one or more entities that reduce a stated risk to the reliability of the Bulk Power System and can be measured by evaluating a particular product or outcome resulting from the required actions. A risk-based reliability requirement should be framed as: who, under what conditions (if any), shall perform what action, to achieve what particular result or outcome that reduces a stated risk to the reliability of the Bulk Power System.
- **Capability-based Requirements** define capabilities needed by one or more entities to perform reliability functions and can be measured by demonstrating that the capability exists as required. A capability-based reliability requirement should be framed as: *who, under what conditions (if any), shall have what capability, to achieve what particular result or outcome to perform an action to achieve a result or outcome or to reduce a risk to the reliability of the Bulk Power System.*

The body of reliability Requirements collectively provides a defense-in-depth strategy supporting reliability of the Bulk Power System.

## 2.5: Elements of a Reliability Standard

A Reliability Standard includes several components designed to work collectively to identify what entities must do to meet their reliability-related obligations as an owner, operator or user of the Bulk Power System.

The components of a Reliability Standard may include the following:

**Title:** A brief, descriptive phrase identifying the topic of the Reliability Standard.

**Number:** A unique identification number assigned in accordance with a published classification system to facilitate tracking and reference to the Reliability Standards.<sup>4</sup>

**Purpose:** The reliability outcome achieved through compliance with the Requirements of the Reliability Standard.

**Applicability:** Identifies ~~which entities are assigned reliability requirements. The~~ specific Functional Entities and Facilities to which the Reliability Standard applies.

**Effective Dates:** Identification of the date or pre-conditions determining when each Requirement becomes effective in each jurisdiction.

**Requirement:** An explicit statement that identifies the Functional Entity responsible, the action or outcome that must be achieved, any conditions achieving the action or outcome, and the reliability-related benefit of the action or outcome. Each Requirement shall be a statement for which compliance is mandatory.

**Compliance Elements:** Elements to aid in the administration of ERO compliance monitoring and enforcement responsibilities.<sup>5</sup>

- **Measure:** Provides identification of the evidence or types of evidence that may demonstrate compliance with the associated requirement.

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<sup>4</sup> Reliability Standards shall be numbered in accordance with the NERC Standards Numbering Convention as ~~provide~~provided on the Reliability Standards Resources web page.

<sup>5</sup> It is the responsibility of the ERO staff to develop compliance tools for each standard; these tools are not part of the standard but are referenced in this manual because the preferred approach to developing these tools is to use a transparent process that leverages the technical and practical expertise of the drafting team and ballot pool.

- **Violation Risk Factors and Violation Severity Levels:** Violation risk factors (VRFs) and violation severity levels (VSLs) are used as factors when determining the size of a penalty or sanction associated with the violation of a requirement in an approved ~~reliability standard~~.<sup>6</sup> Reliability Standard.<sup>7</sup> Each requirement in each ~~reliability standard~~ Reliability Standard has an associated VRF and a set of VSLs. VRFs and VSLs are developed by the drafting team, working with NERC Staff, at the same time as the associated ~~reliability standard~~ Reliability Standard, but are not part of the ~~reliability standard~~ Reliability Standard. The Board of Trustees is responsible for approving VRFs and VSLs.
  - **Violation Risk Factors**

VRFs identify the potential reliability significance of noncompliance with each requirement. Each requirement is assigned a VRF in accordance with the latest approved set of VRF criteria.<sup>8</sup>
  - **Violation Severity Levels**

VSLs define the degree to which compliance with a requirement was not achieved. Each requirement shall have at least one VSL. While it is preferable to have four VSLs for each requirement, some requirements do not have multiple “degrees” of noncompliant performance and may have only one, two, or three VSLs. Each requirement is assigned one or more VSLs in accordance with the latest approved set of VSL criteria.<sup>9</sup>

**Version History:** The version history is provided for informational purposes and lists information regarding prior versions of Reliability Standards.

**Variance:** A Requirement (to be applied in the place of the continent-wide Requirement) that is applicable to a specific geographic area or to a specific set of Registered Entities.

**Compliance Enforcement Authority:** The entity that is responsible for assessing performance or outcomes to determine if an entity is compliant with the associated Reliability Standard. The Compliance Enforcement Authority will be NERC or the Regional Entity in their respective roles of monitoring and enforcing compliance with the NERC Reliability Standards.

~~**Application guidelines:** Guidelines to support the implementation of the associated Reliability Standard.~~

~~**Procedures:** Procedures to support implementation of the associated Reliability Standard.~~

The only mandatory and enforceable components of a Reliability Standard are the: (1) applicability, (2) Requirements, and the (3) effective dates. The additional components are included in the Reliability Standard for informational purposes, ~~to establish the relevant scope and technical paradigm~~, and to provide guidance to Functional Entities concerning how compliance will be assessed by the Compliance Enforcement Authority.

~~<sup>6</sup> The *Sanction Guidelines of the North American Electric Reliability Corporation* identifies the factors used to determine a penalty or sanction for violation of reliability standard and is posted on the NERC Web Site.~~

<sup>7</sup> The *Sanction Guidelines of the North American Electric Reliability Corporation* identifies the factors used to determine a penalty or sanction for violation of a Reliability Standard and is posted on the NERC web site.

<sup>8</sup> The latest set of approved VRF Criteria is posted on the Reliability Standards Resources Web Page~~web page~~.

<sup>9</sup> The latest set of approved VSL Criteria is posted on the Reliability Standards Resources Web Page~~web page~~.

## Section 3.0: Reliability Standards Program Organization

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### 3.1: Board of Trustees

The NERC Board of Trustees shall consider for adoption Reliability Standards, definitions, Variances and Interpretations and associated implementation plans that have been ~~processed~~developed according to ~~the processes identified in~~ this manual. Once the Board adopts a Reliability Standard, definition, Variance or Interpretation, the Board shall direct NERC Staff to file the document(s) for approval with Applicable Governmental Authorities.

### 3.2: Registered Ballot Body

The Registered Ballot Body comprises all entities or individuals that qualify for one of the Segments approved by the Board of Trustees<sup>10</sup>, and are registered with NERC as potential ballot participants in the voting on Reliability Standards. Each member of the Registered Ballot Body is eligible to join the ballot pool for each Reliability Standard action.

### 3.3: Ballot Pool

Each Reliability 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 request to participate in that particular Reliability Standard action. The ballot pool votes on each Reliability Standards action. The ballot pool remains in place until all balloting related to that Reliability Standard action has been completed.

### 3.4: Standards Committee

The Standards Committee serves at the pleasure and direction of the NERC Board of Trustees, and the Board approves the Standards Committee's Charter.<sup>11</sup> ~~The composition of the Standards Committee and the election of its members are elected by their respective Segment's stakeholders. The is set forth in Appendix 3B to the NERC Rules of Procedure, Procedures for Election of Members of the Standards Committee consists of two members of each of the Segments in the Registered Ballot Body.<sup>12</sup> A member of the NERC Reliability Standards Staff shall serve as the non-voting secretary to the Standards Committee.~~

The Standards Committee is responsible for managing the Reliability Standards processes for development of Reliability Standards, definitions, Variances and Interpretations in accordance with this manual. The responsibilities of the Standards Committee are defined in detail in the Standards Committee's Charter. The Standards Committee is responsible for ensuring that the Reliability Standards, definitions, Variances and Interpretations developed by drafting teams are developed in accordance with the processes in this manual and meet NERC's benchmarks for Reliability Standards as well as criteria for governmental approval.<sup>13</sup>

The Standards Committee has the right to remand work to a drafting team, to reject the work of a drafting team, or to accept the work of a drafting team. The Standards Committee may disband a drafting team if it determines (a) that the drafting team is not producing a standard in a timely manner; (b) the drafting team is not able to produce a standard that will achieve industry consensus; (c) the drafting team has not addressed the scope of the SAR; or (d)

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<sup>10</sup> The industry Segment qualifications are described in the Development of the Registered Ballot Body and Segment Qualification Guidelines document posted on the Reliability Standards Resources web page and are included in Appendix 3D of the NERC Rules of Procedure.

<sup>11</sup> The Standards Committee Charter is posted on the Reliability Standards Resources web page.

~~<sup>12</sup> In addition to balanced 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.~~

<sup>13</sup> The *Ten Benchmarks of an Excellent Reliability Standard* and FERC's Criteria for Approving Reliability Standards are posted on the Reliability Standards Resources web page.

the drafting team has failed to fully address a regulatory directive or otherwise provided a responsive or equally efficient and effective alternative. The Standards Committee may direct a drafting team to revise its work to follow the processes in this manual or to meet the criteria for NERC’s benchmarks for Reliability Standards, or to meet the criteria for governmental approval; however, the Standards Committee shall not direct a drafting team to change the technical content of a draft Reliability Standard.

The Standards Committee shall meet at regularly scheduled intervals (either in person, or by other means). All Standards Committee meetings are open to all interested parties.

### 3.5: NERC Reliability Standards Staff

The NERC Reliability Standards Staff, led by the Director of Standards,<sup>14</sup> is responsible for administering NERC’s Reliability Standards processes in accordance with this manual. The NERC Reliability Standards Staff provides support to the Standards Committee in managing the Reliability Standards processes and in supporting the work of all drafting teams. The NERC Reliability Standards Staff works to ensure the integrity of the Reliability Standards processes and consistency of quality and completeness of the Reliability Standards. The NERC Reliability Standards Staff facilitates all steps in the development of Reliability Standards, definitions, Variances, Interpretations and associated implementation plans.

The NERC Reliability Standards Staff is responsible for presenting Reliability Standards, definitions, Variances, and Interpretations to the NERC Board of Trustees for adoption. When presenting Reliability Standards-related documents to the NERC Board of Trustees for adoption or approval, the NERC Reliability Standards Staff shall report the results of the associated stakeholder ballot, including identification of unresolved stakeholder objections and an assessment of the document’s practicality and enforceability.

### 3.6: Drafting Teams

The Standards Committee shall appoint industry experts to drafting teams to work with stakeholders in developing and refining Standard Authorization Requests (“SARs”), Reliability Standards, definitions, ~~and Variances.~~ ~~The NERC Reliability Standards Staff shall appoint drafting teams that develop,~~ and Interpretations. The NERC Reliability Standards Staff shall provide, or solicit from the industry, essential support for each of the drafting teams in the form of technical writers, legal, compliance, and rigorous and highly trained project management and facilitation support personnel.

Each drafting team may consist of a group of technical, legal, and compliance experts that work cooperatively with the support of the NERC Reliability Standards Staff.<sup>15</sup> The technical experts provide the subject matter expertise and guide the development of the technical aspects of the Reliability Standard, assisted by technical writers, legal and compliance experts. The technical experts maintain authority over the technical details of the Reliability Standard. Each drafting team appointed to develop a Reliability Standard is responsible for following the processes identified in this manual as well as procedures developed by the Standards Committee from the inception of the assigned project through the final acceptance of that project by Applicable Governmental Authorities.

Collectively, each drafting team:

- Drafts proposed language for the Reliability Standards, definitions, Variances, and/or Interpretations and associated implementation plans.
- Develops and refines technical documents that aid in the understanding of Reliability Standards.

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<sup>14</sup> The Director of Standards may delegate its authority to perform certain responsibilities specified in this manual to another member of the NERC Reliability Standards staff.

<sup>15</sup> The detailed responsibilities of drafting teams are outlined in the Drafting Team Guidelines, which is posted on the Reliability Standards Resources web page.



- Works collaboratively with NERC Compliance Monitoring and Enforcement Staff to develop Reliability Standard Audit Worksheets (“RSAWs”) at the same time Reliability Standards are developed.
- Provides assistance to NERC Staff in the development of Compliance Elements of proposed Reliability Standards.
- Solicits, considers, and responds to comments related to the specific Reliability Standards development project.
- Participates in industry forums to help build consensus on the draft Reliability Standards, definitions, Variances, and/or Interpretations and associated implementation plans.
- Assists in developing the documentation used to obtain governmental approval of the Reliability Standards, definitions, Variances, and/or Interpretations and associated implementation plans.

All drafting teams report to the Standards Committee.

### 3.7: Governmental Authorities

~~The Federal Energy Regulatory Commission (“FERC”)~~FERC in the United States of America, and where permissible by statute or regulation, the federal or provincial governments of other North American jurisdictions that have recognized NERC as the ERO have the authority to approve each new, revised or withdrawn Reliability Standard, definition, Variance, VRF, VSL and Interpretation following adoption or approval by the NERC Board of Trustees.

### 3.8: Committees, Subcommittees, Working Groups, and Task Forces

NERC’s technical committees, subcommittees, working groups, and task forces provide technical research and analysis used to justify the development of new Reliability Standards and provide guidance, when requested by the Standards Committee, in overseeing field tests or collection and analysis of data. The technical committees, subcommittees, working groups, and task forces provide feedback to drafting teams during both informal and formal comment periods.

The Standards Committee may request that a NERC technical committee or other group prepare a ~~Technical~~technical document to support development of a proposed Reliability Standard.

The technical committees, subcommittees, working groups, and task forces share their observations regarding the need for new or modified Reliability Standards or Requirements with the NERC Reliability Standards Staff for use in identifying the need for new Reliability Standards projects for the three-year *Reliability Standards Development Plan*.

### 3.9: Compliance and Certification Committee

The Compliance and Certification Committee is responsible for monitoring NERC’s compliance with its Reliability Standards processes and procedures and for monitoring NERC’s compliance with the Rules of Procedure regarding the development of new or revised Reliability Standards, definitions, Variances, and Interpretations. The Compliance and Certification Committee may assist in verifying that each proposed Reliability Standard is enforceable as written before the Reliability Standard is posted for formal stakeholder comment and balloting.

### 3.10: Compliance Monitoring and Enforcement Program

As applicable, the NERC Compliance Monitoring and Enforcement Program Staff manages and enforces compliance with approved Reliability Standards. Compliance Monitoring and Enforcement Staff are responsible for the development of select compliance tools. The drafting team and the Compliance Monitoring and Enforcement Program Staff shall work together during the Reliability Standard development process to ensure an accurate and consistent understanding of the Requirements and their intent, and to ensure that applicable compliance tools accurately reflect that intent. The goal of this collaboration is to ensure that application of the Reliability Standards in the Compliance Monitoring and Enforcement Program by NERC and the Regional Entities is consistent.

The Compliance Monitoring and Enforcement Program is encouraged to share its observations regarding the need for new or modified Requirements with the NERC Reliability Standards Staff for use in identifying the need for new Reliability Standards projects.

### **3.11: North American Energy Standards Board (“NAESB”)**

While NERC has responsibility for developing Reliability Standards to support reliability, NAESB has responsibility for developing business practices and coordination between reliability and business practices as needed. NERC and NAESB developed and approved a procedure<sup>16</sup> to guide the development of Reliability Standards and business practices where the reliability and business practice components are intricately entwined within a proposed Reliability Standard.

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<sup>16</sup> The NERC NAESB Template Procedure for Joint Standards Development and Coordination is posted on the Reliability Standards Resources web page.

## Section 4.0: Process for Developing, Modifying, Withdrawing or Retiring a Reliability Standard

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There are several steps to the development, modification, withdrawal or retirement of a Reliability Standard.<sup>17</sup>

The development of the *Reliability Standards Development Plan* is the appropriate forum for reaching agreement on whether there is a need for a Reliability Standard and the scope of a proposed Reliability Standard. A typical process for a project identified in the *Reliability Standards Development Plan* that involves a revision to an existing Reliability Standard is shown below. Note that most projects do not include a field test.

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<sup>17</sup> The process described is also applicable to projects used to propose a new or modified definition or Variance or to propose retirement of a definition or Variance.

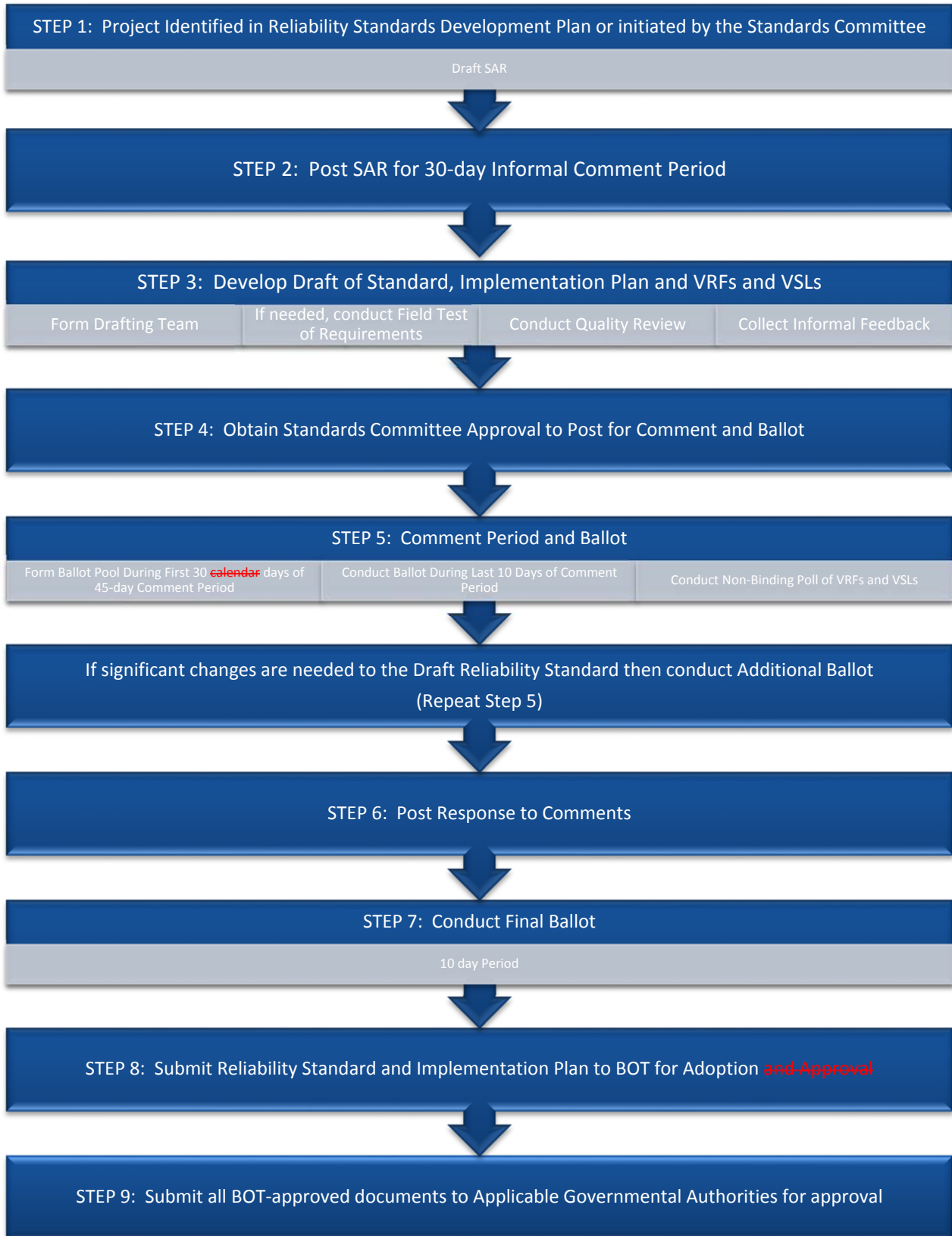


FIGURE 1: Process for Developing or Modifying a Reliability Standard

## 4.1: Posting and Collecting Information on SARs

### Standard Authorization Request

A Standard Authorization Request (“SAR”) is the form used to document the scope and reliability benefit of a proposed project for one or more new or modified Reliability Standards or definitions or the benefit of retiring one or more approved Reliability Standards. Any entity or individual, including NERC committees or subgroups and NERC Staff, may propose the development of a new or modified Reliability Standard, or may propose the retirement of a Reliability Standard (in whole or in part), by submitting a completed SAR<sup>18</sup> to the NERC Reliability Standards Staff.<sup>19</sup> The Standards Committee has the authority to approve the posting of all SARs for projects that propose (i) developing a new or modified Reliability Standard or definition or (ii) propose retirement of an existing Reliability Standard (or elements thereof).

The NERC Reliability Standards Staff sponsors an open solicitation period each year seeking ideas for new Reliability Standards projects (using *Reliability Standards Suggestions and Comments forms*). The open solicitation period is held in conjunction with the annual revision to the *Reliability Standards Development Plan*. While the Standards Committee prefers that ideas for new projects be submitted during this annual solicitation period through submittal of a *Reliability Standards Suggestions and Comments Form*,<sup>20</sup> a SAR proposing a specific project may be submitted to the NERC Reliability Standards Staff at any time.

Each SAR that proposes a “new” or substantially revised Reliability Standard or definition should be accompanied by a technical justification that includes, as a minimum, a discussion of the reliability-related benefits and costs of developing the new Reliability Standard or definition, and a technical foundation document (*e.g.*, research paper) to guide the development of the Reliability Standard or definition. The technical document should address the engineering, planning and operational basis for the proposed Reliability Standard or definition, as well as any alternative approaches considered during SAR development.

The NERC Reliability Standards Staff shall review each SAR and work with the submitter to verify that all required information has been provided. All properly completed SARs shall be submitted to the Standards Committee for action at the next regularly scheduled Standards Committee meeting.

When presented with a SAR, the Standards Committee shall determine if the SAR is sufficiently complete to guide Reliability Standard development and whether the SAR is consistent with this manual. The Standards Committee shall take one of the following actions:

- Accept the SAR.
- Remand the SAR back to the requestor or to NERC Reliability Standards Staff for additional work.
- Reject the SAR. The Standards Committee may reject a SAR for good cause. If the Standards Committee rejects a SAR, it shall provide a written explanation for rejection to the sponsor within ten days of the rejection decision.
- Delay action on the SAR pending one of the following: (i) development of a technical justification for the proposed project; or (ii) consultation with another NERC Committee to determine if there is another approach to addressing the issue raised in the SAR.

<sup>18</sup> ~~The SAR form can be downloaded from the Reliability Standards Resources web page.~~

<sup>19</sup> ~~The SAR form is available on the Reliability Standards Resources web page.~~

<sup>20</sup> The *Reliability Standards Suggestions and Comments Form* can be downloaded from the Reliability Standards Resources web page.

If the Standards Committee is presented with a SAR that proposes developing a new Reliability Standard or definition but does not have a technical justification upon which the Reliability Standard or definition can be developed, the Standards Committee shall direct the NERC Reliability Standards Staff to post the SAR for a 30-day comment period solely to collect stakeholder feedback on the scope of technical foundation, if any, needed to support the proposed project. If a technical foundation is determined to be necessary, the Standards Committee shall solicit assistance from NERC's technical committees or other industry experts to provide that foundation before authorizing development of the associated Reliability Standard or definition.

During the SAR comment process, the drafting team may become aware of potential regional Variances related to the proposed Reliability 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 shall be made a part of the draft new or revised Reliability Standard.

If the Standards Committee accepts a SAR, the project shall be added to the list of approved projects. The Standards Committee shall assign a priority to the project, relative to all other projects under development, and those projects already identified in the *Reliability Standards Development Plan* that are already approved for development.

The Standards Committee shall work with the NERC Reliability Standards Staff to coordinate the posting of SARs for new projects, giving consideration to each project's priority.

## 4.2: SAR Posting

When the Standards Committee determines it is ready to initiate a new project, the Standards Committee shall direct NERC Staff to post the project's SAR in accordance with the following:

- For SARs that are limited to addressing regulatory directives, or revisions to Reliability Standards that have had some vetting in the industry, authorize posting the SAR for a 30-day informal comment period with no requirement to provide a formal response to the comments received.
- For SARs that address the development of new projects or Reliability Standards, authorize posting the SAR for a 30-day formal comment period.

If a SAR for a new Reliability Standard is posted for a formal comment period, the Standards Committee shall appoint a drafting team to work with the NERC Staff coordinator to give prompt consideration of the written views and objections of all participants. The Standards Committee may use a public nomination process to populate the Reliability Standard drafting team, or may use another method that results in a team that collectively has the necessary technical expertise and work process skills to meet the objectives of the project. In some situations, an *ad hoc* team may already be in place with the requisite expertise, competencies, and diversity of views that are necessary to refine the SAR and develop the Reliability Standard, and additional members may not be needed. The drafting team shall address all comments submitted, ~~which during the public posting period. The drafting team~~ be address the comments in the form of a summary response addressing each of the issues raised in comments ~~received, during the public posting period.~~ 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. If the drafting team concludes that there is not sufficient stakeholder support to continue to refine the SAR, the team may recommend that the Standards Committee direct curtailment of work on the SAR.

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. The Standards Committee shall notify the sponsor in writing of the rejection within 10 ~~calendar~~ days.

If stakeholders indicate support for the project proposed with the SAR, the drafting team shall present its work to the Standards Committee with a request that the Standards Committee authorize development of the associated Reliability Standard.

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

- Authorize drafting the proposed Reliability Standard or revisions to a Reliability Standard.
- Reject the SAR with a written explanation to the sponsor and post that explanation.

### 4.3: Form Drafting Team

When the Standards Committee is ready to have a drafting team begin work on developing a new or revised Reliability Standard, the Standards Committee shall appoint a drafting team, if one was not already appointed to develop the SAR. If the Standards Committee appointed a drafting team to refine the SAR, the same drafting team shall work to develop the associated Reliability Standard.

If no drafting team is in place, then the Standards Committee may use a public nomination process to populate the Reliability Standard drafting team, or may use another method that results in a team that collectively has the necessary technical expertise, diversity of views, and work process skills to accomplish the objectives of the project on a timely basis. In some situations, an ad hoc team may already be in place with the requisite expertise, competencies, and diversity of views that are necessary to develop the Reliability Standard, and additional members may not be needed.

The NERC Reliability Standards Staff shall provide one or more members as needed to support the team with facilitation, project management, compliance, legal, regulatory and technical writing expertise and shall provide administrative support to the team, guiding the team through the steps in completing its project. In developing the Reliability Standard, the individuals provided by the NERC Reliability Standards Staff serve as advisors to the drafting team and do not have voting rights but share accountability along with the drafting team members assigned by the Standards Committee for timely delivery of a final draft Reliability Standard that meets the quality attributes identified in NERC's Ten Benchmarks for of an Excellent Standards Reliability Standard. The drafting team members assigned by the Standards Committee shall have final authority over the technical details of the Reliability Standard, while the technical writer shall provide assistance to the drafting team in assuring that the final draft of the Reliability Standard meets the quality attributes identified in NERC's Ten Benchmarks for of an Excellent Standards Reliability Standard.

Once it is appointed by the Standards Committee, the Reliability Standard drafting team is responsible for making recommendations to the Standards Committee regarding the remaining steps in the Reliability Standards process. Consistent with the need to provide for timely standards development, the Standards Committee may decide a project is so large that it should be subdivided and either assigned to more than one drafting team or assigned to a single drafting team with clear direction on completing the project in specified phases. The normally expected timeframes for standards development within the context of this manual are applicable to individual standards and not to projects containing multiple standards. Alternatively, a single drafting team may address the entire project with a commensurate increase in the expected duration of the development work. If a SAR is subdivided and assigned to more than one drafting team, each drafting team will have a clearly defined portion of the work such that there are no overlaps and no gaps in the work to be accomplished.

The Standards Committee may supplement the membership of a Reliability Standard drafting team or provide for additional advisors, as appropriate, to ensure the necessary competencies and diversity of views are maintained throughout the Reliability Standard development effort.

## 4.4: Develop Preliminary Draft of Reliability Standard, Implementation Plan, and VRFs and VSLs

### 4.4.1: Project Schedule

When a drafting team begins its work, either in refining a SAR or in developing or revising a proposed Reliability Standard, the drafting team shall develop a project schedule which shall be approved by the Standards Committee. The drafting team shall report progress to the Standards Committee, against the initial project schedule and any revised schedule as requested by the Standards Committee. Where project milestones cannot be completed on a timely basis, modifications to the project schedule must be presented to the Standards Committee for consideration along with proposed steps to minimize unplanned project delays.

### 4.4.2: Draft Reliability Standard

The team shall develop a Reliability Standard that is within the scope of the associated SAR that includes all required elements as described earlier in this manual ~~with a goal of meeting and that meets~~ the quality attributes identified in NERC's *Ten Benchmarks for of an Excellent Standards and Reliability Standard, with a goal of meeting the* criteria for governmental approval. ~~The team shall document its justification for the Requirements in its proposed Reliability Standard by explaining how each meets these criteria. The standard drafting team shall document its justification for selecting each reference by explaining how each Requirement fits the category chosen.~~

The drafting team may, at its discretion, develop one or more supporting technical documents to help explain or facilitate understanding of the draft Reliability Standard, implementation plan, VSL, or VRF. These supporting technical documents may include, among other things: (1) reference documents designed to provide the drafting team's technical rationale, analysis, or explanatory information to support the understanding of the draft Reliability Standard or related element; or (2) white papers designed to explain a technical position or concept underlying the draft Reliability Standard or related element. Such documents may be posted during an informal comment period (Section 4.5) or formal comment period (Section 4.7).

### 4.4.3: Implementation Plan

As a drafting team drafts its proposed revisions to a Reliability Standard, that team is also required to develop an implementation plan to identify any factors for consideration when approving the proposed effective date or dates for the associated Reliability Standard or Standards. As a minimum, the implementation plan shall include the following:

- The proposed effective date (the date entities shall be compliant) for the Requirements.
- Identification of any new or modified definitions that are proposed for approval with the associated Reliability Standard.
- Whether there are any prerequisite actions that need to be accomplished before entities are held responsible for compliance with one or more of the Requirements.
- Whether approval of the proposed Reliability Standard will necessitate any conforming changes to any already approved Reliability Standards – and identification of those Reliability Standards and Requirements.
- The Functional Entities that will be required to comply with one or more Requirements in the proposed Reliability Standard.

A single implementation plan may be used for more than one Reliability Standard. The implementation plan is posted with the associated Reliability Standard or Standards during the 45 ~~(calendar)~~ day formal comment period and is balloted with the associated Reliability Standard.



#### 4.4.4: Violation Risk Factors and Violation Severity Levels

The drafting team shall work with NERC Staff in developing a set of VRFs and VSLs that meet the latest criteria established by NERC and Applicable Governmental Authorities. The drafting team shall document its justification for selecting each VRF and for setting each set of proposed VSLs by explaining how its proposed VRFs and VSLs meet these criteria. NERC Staff is responsible for ensuring that the VRFs and VSLs proposed for stakeholder review meet these criteria.

Before the drafting team has finalized its Reliability Standard, implementation plan, and VRFs and VSLs, the team should seek stakeholder feedback on its preliminary draft documents.

#### 4.5: Informal Feedback<sup>21</sup>

Drafting teams may use a variety of methods to collect informal stakeholder feedback on preliminary drafts of its documents, including the use of informal comment periods,<sup>22</sup> webinars, industry meetings, workshops, or other mechanisms. Information gathered from informal comment forms shall be publicly posted. While drafting teams are not required to provide a written response to each individual comment received, drafting teams are encouraged, where possible, to post a summary response that identifies how it used comments submitted by stakeholders. Drafting teams are encouraged, where possible, to reach out directly to individual stakeholders in order to facilitate resolution of identified stakeholder concerns. The intent is to gather stakeholder feedback on a “working document” before the document reaches the point where it is considered the “final draft.”

#### 4.6: Conduct Quality Review

The NERC Reliability Standards Staff shall coordinate a quality review of the Reliability Standard, implementation plan, and VRFs and VSLs in parallel with the development of the Reliability Standard and implementation plan, to assess whether the documents are within the scope of the associated SAR, whether the Reliability Standard is clear and enforceable as written, and whether the Reliability Standard meets the criteria specified in NERC’s *Ten Benchmarks for of an Excellent Standards Reliability Standard* and criteria for governmental approval of Reliability Standards. The drafting team shall consider the results of the quality review, decide upon appropriate changes, and recommend to the Standards Committee whether the documents are ready for formal posting and balloting.

The Standards Committee shall authorize posting the proposed Reliability Standard, and implementation plan for a formal comment period and ballot and the VRFs and VSLs for a non-binding poll as soon as the work flow will accommodate.

If the Standards Committee finds that any of the documents do not meet the specified criteria, the Standards Committee shall remand the documents to the drafting team for additional work.

If the Reliability Standard is outside the scope of the associated SAR, the drafting team shall be directed to either revise the Reliability Standard so that it is within the approved scope, or submit a request to expand the scope of the approved SAR. If the Reliability Standard is not clear and enforceable as written, or if the Reliability Standard does not meet the specified criteria, the Reliability Standard shall be returned to the drafting team by the Standards Committee with specific identification of any Requirement that is deemed to be unclear or unenforceable as written.

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<sup>21</sup> While this discussion focuses on collecting stakeholder feedback on proposed Reliability Standards and implementation plans, the same process is used to collect stakeholder feedback on proposed new or modified Interpretations, definitions and Variances.

<sup>22</sup> The term “informal comment period” refers to a comment period conducted outside of the ballot process and where there is no requirement for a drafting team to respond in writing to submitted comments.

## 4.7: Conduct Formal Comment Period and Ballot

Proposed new or modified Reliability Standards require a formal comment period where the new or modified Reliability Standard, implementation plan and associated VRFs and VSLs or the proposal to retire a Reliability Standard, implementation plan, and associated VRFs and VSLs are posted.

The formal comment period shall be at least 45-days long. Formation of the ballot pool and Ballot of the Reliability Standard take place during this formal 45-day comment period. The intent of the formal comment period(s) is to solicit very specific feedback on the final draft of the Reliability Standard, implementation plan and VRFs and VSLs.

Comments in written form may be submitted on a draft Reliability Standard by any interested stakeholder, including NERC Staff, FERC Staff, and other interested governmental authorities. If stakeholders disagree with some aspect of the proposed set of products, comments provided should explain the reasons for such disagreement and, where possible, suggest specific language that would make the product acceptable to the stakeholder.

## 4.8: Form Ballot Pool

The NERC Reliability Standards Staff shall establish a ballot pool during the first 30 ~~calendar~~ days of the 45-day formal comment period. The NERC Reliability Standards Staff shall post the proposed Reliability Standard, along with its implementation plan, VRFs and VSLs and shall send a notice to every entity in the Registered Ballot Body to provide notice that there is a new or revised Reliability Standard proposed for approval and to solicit participants for the associated ballot pool. All members of the Registered Ballot Body are eligible to join each ballot pool to vote on a new or revised Reliability Standard and its implementation plan and to participate in the non-binding poll of the associated VRFs and VSLs.

Any member of the Registered Ballot Body may join or withdraw from the ballot pool until the ballot window opens. No Registered Ballot Body member may join or withdraw from the ballot pool once the first ballot starts through the point in time where balloting for that Reliability Standard action has ended. The Director of Standards or its designee may authorize deviations from this rule for extraordinary circumstances such as the death, retirement, or disability of a ballot pool member that would prevent an entity that had a member in the ballot pool from eligibility to cast a vote during the ballot window. Any ~~approved~~authorized deviation shall be documented and noted to the Standards Committee.

## 4.9: Conduct Ballot and Non-binding Poll of VRFs and VSLs<sup>23</sup>

The NERC Reliability Standards Staff shall announce the opening of the Ballot window and the non-binding poll of VRFs and VSLs. The Ballot window and non-binding poll of VRFs and VSLs shall take place during the last 10 ~~calendar~~ days of the 45-day formal comment period and for the Final Ballot shall be no less than 10 ~~calendar~~ days. If the last day of the ballot window falls on a Saturday or Sunday, the period does not end until the next business day.<sup>24</sup>

The ballot and non-binding poll shall be conducted electronically. The voting window shall be for a period of 10 ~~calendar~~ days but shall be extended, if needed, until a quorum is achieved. During a ballot window, NERC shall not sponsor or facilitate public discussion of the Reliability Standard action under ballot.

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<sup>23</sup> While RSAWs are not part of the Reliability Standard, they are developed through collaboration of the SDT and NERC Compliance Staff. A non-binding poll, similar to what is done for VRFs and VSLs may be conducted for the RSAW developed through this process to gauge industry support for the companion RSAW to be provided for informational purposes to the NERC Board of Trustees.

<sup>24</sup> Closing dates may be extended as deemed appropriate by NERC Staff.

There is no requirement to conduct a new non-binding poll of the revised VRFs and VSLs if no changes were made to the associated standard, however if the requirements are modified and conforming changes are made to the associated VRFs and VSLs, another non-binding poll of the revised VRFs and VSLs shall be conducted.

#### 4.10: Criteria for Ballot Pool Approval

Ballot pool approval of a Reliability Standard requires:

A quorum, which is established by at least 75% of the members of the ballot pool submitting a response; and

A two-thirds majority of the weighted Segment votes cast shall be affirmative. The number of votes cast is the sum of affirmative votes and negative votes with comments. This calculation of votes for the purpose of determining consensus excludes (i) abstentions, (ii) non-responses, and (iii) negative votes without comments.

The following process<sup>25</sup> is used to determine if there are sufficient affirmative votes.

- For each Segment with ten or more voters, the following process shall be used: The number of affirmative votes cast shall be divided by the sum of affirmative and negative votes with comments cast to determine the fractional affirmative vote for that Segment. Abstentions, non-responses, and negative votes without comments shall not be counted for the purposes of determining the fractional affirmative vote for a Segment.
- For each Segment with less than ten voters, the vote weight of that Segment shall be proportionally reduced. Each voter within that Segment voting affirmative or negative with comments shall receive a weight of 10% of the Segment vote.
- The sum of the fractional affirmative votes from all Segments divided by the number of Segments voting<sup>26</sup> shall be used to determine if a two-thirds majority has been achieved. (A Segment shall be considered as “voting” if any member of the Segment in the ballot pool casts either an affirmative vote or a negative vote with comments.)
- A Reliability Standard shall be approved if the sum of fractional affirmative votes from all Segments divided by the number of voting Segments is at least two thirds.

#### 4.11: Voting Positions

Each member of the ballot pool may **only** vote one of the following positions on the Ballot and Additional Ballot(s):

- Affirmative;
- Affirmative, with comment;
- Negative with comments;
- Abstain.

Given that there is no formal comment period concurrent with the Final Ballot, each member of the ballot pool may **only** vote one of the following positions on the Final Ballot:

- Affirmative;

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<sup>25</sup> Examples of weighted segment voting calculation are posted on the Reliability Standards Resources web page.

<sup>26</sup> 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.

- Negative;<sup>27</sup>
- Abstain.

## 4.12: Consideration of Comments and Additional Ballots

A drafting team must respond in writing to every stakeholder written comment submitted in response to a ballot prior to conducting a Final Ballot. These responses may be provided in summary form, but all comments and objections must be responded to by the drafting team. All comments received and all responses shall be publicly posted.

If a stakeholder or balloter proposes a significant revision to a Reliability Standard during the formal comment period or concurrent Ballot that will improve the quality, clarity, or enforceability of that Reliability Standard, then the drafting team may choose to make such revisions and post the revised Reliability Standard for another 45 ~~calendar~~ day public comment period and ballot. ~~However, a~~ A drafting team is not required to respond in writing to comments to the previous ballot when it determines that significant changes are needed and an Additional Ballot will be conducted. Prior to posting the revised Reliability Standard for an additional comment period, the drafting team must communicate this decision to stakeholders. This communication is intended to inform stakeholders that the drafting team has identified that significant revisions to the Reliability Standard are necessary and should note that the drafting team is not required to respond in writing to comments from the previous ballot. The drafting team will respond to comments received in the last Additional Ballot prior to conducting a Final Ballot.

There are no limits to the number of public comment periods and ballots that can be conducted to result in a Reliability Standard or interpretation that is clear and enforceable, and achieves a quorum and sufficient affirmative votes for approval. The Standards Committee has the authority to conclude this process for a particular Reliability Standards action if it becomes obvious that the drafting team cannot develop a Reliability Standard that is within the scope of the associated SAR, is sufficiently clear to be enforceable, and achieves the requisite weighted Segment approval percentage.

~~There is no formal comment period concurrent with the Final Ballot and no obligation for the drafting team to respond to any comments submitted during the Final Ballot.~~

## ~~4.13: Additional Ballots~~

~~A drafting team must respond in writing to every stakeholder written comment submitted in response to a ballot prior to conducting a Final Ballot. These responses may be provided in summary form, but all comments and objections must be responded to by the drafting team. All comments received and all responses shall be publicly posted.~~

~~However, a drafting team is not required to respond in writing to comments to the previous ballot when it determines that significant changes are needed and an Additional Ballot will be conducted.~~

## ~~4.13~~4.14: Conduct Final Ballot

When the drafting team has reached a point where it has made a good faith effort at resolving applicable objections and is not making any substantive changes from the previous ballot, the team shall conduct a “Final Ballot.” A non-substantive revision is a revision that does not change the scope, applicability, or intent of any Requirement and includes but is not limited to things such as correcting the numbering of a Requirement, correcting the spelling of a

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<sup>27</sup> The Final Ballot is used to confirm consensus achieved during the Formal Comment and Ballot stage. Ballot Pool members voting negative on the Final Ballot will be deemed to have expressed the reason for their negative ballot in their own comments or the comments of others during prior Formal Comment periods.

word, adding an obviously missing word, or rephrasing a Requirement for improved clarity. Where there is a question as to whether a proposed modification is “substantive,” the Standards Committee shall make the final determination.

In the Final Ballot, members of the ballot pool shall again be presented the proposed Reliability Standard along with the reasons for negative votes from the previous ballot, the responses of the drafting team to those concerns, and any resolution of the differences.

All members of the ballot pool shall be permitted to reconsider and change their vote from the prior ballot. Members of the ballot pool who did not respond to the prior ballot shall be permitted to vote in the Final Ballot. In the Final Ballot, votes shall be counted by exception only — members on the Final Ballot may indicate a revision to their original vote; otherwise their vote shall remain the same as in their prior ballot.

There is no formal comment period concurrent with the Final Ballot and no obligation for the drafting team to respond to any comments submitted during the Final Ballot.

#### **4.154.14: Final Ballot Results**

~~There are no limits to the number of public comment periods and ballots that can be conducted to result in a Reliability Standard or interpretation that is clear and enforceable, and achieves a quorum and sufficient affirmative votes for approval. The Standards Committee has the authority to conclude this process for a particular Reliability Standards action if it becomes obvious that the drafting team cannot develop a Reliability Standard that is within the scope of the associated SAR, is sufficiently clear to be enforceable, and achieves the requisite weighted Segment approval percentage. There is no formal comment period concurrent with the Final Ballot and no obligation for the drafting team to respond to any comments submitted during the Final Ballot.~~

The NERC Reliability Standards Staff shall post the final outcome of the ballot process. If the Reliability Standard is rejected, the Standards Committee may decide whether to end all further work on the proposed standard, return the project to informal development, or continue holding ballots to attempt to reach consensus on the proposed standard. If the Reliability Standard is approved, the Reliability Standard shall be posted and presented to the Board of Trustees by NERC management for adoption and subsequently filed with Applicable Governmental Authorities for approval.

#### **4.1615: Board of Trustees Adoption of Reliability Standards, Implementation Plan and VRFs and VSLs**

If a Reliability Standard and its associated implementation plan are approved by its ballot pool, the Board of Trustees shall consider adoption of that Reliability Standard and its associated implementation plan and shall direct the standard to be filed with Applicable Governmental Authorities for approval. In making its decision, the Board shall consider the results of the balloting and unresolved dissenting opinions. The Board shall adopt or reject a Reliability Standard and its implementation plan, but shall not modify a proposed Reliability Standard. If the Board chooses not to adopt a Reliability Standard, it shall provide its reasons for not doing so.

The ~~board~~Board shall consider approval of the VRFs and VSLs associated with a ~~reliability standard~~Reliability Standard. In making its determination, the board shall consider the following:

- The Standards Committee shall present the results of the non-binding poll conducted and a summary of industry comments received on the final posting of the proposed VRFs and VSLs.
- NERC Staff shall present a set of recommended VRFs and VSLs that considers the views of the standard drafting team, stakeholder comments received on the draft VRFs and VSLs during the posting for comment process, the non-binding poll results, appropriate governmental agency rules and directives, and VRF and VSL assignments for other Reliability Standards to ensure consistency and relevance across the entire spectrum of Reliability Standards.

#### **4.1716: Compliance**

For a Reliability Standard to be enforceable, it shall be approved by its ballot pool, adopted by the NERC Board of Trustees, and approved by Applicable Governmental Authorities, unless otherwise approved by the NERC Board of Trustees pursuant to the NERC Rules of Procedure (e.g., Section 321) and approved by Applicable Governmental Authorities. Once a Reliability Standard is approved or otherwise made mandatory by Applicable Governmental Authorities, all persons and organizations subject to jurisdiction of the ERO will be required to comply with the Reliability Standard in accordance with applicable statutes, regulations, and agreements.

#### **4.1817: Withdrawal of a Reliability Standard, Interpretation, or Definition**

The term “withdrawal” as used herein, refers to the discontinuation of a Reliability Standard, Interpretation, Variance or definition that has been approved by the Board of Trustees and (1) has not been filed with Applicable Governmental Authorities, or (2) has been filed with, but not yet approved by, Applicable Governmental Authorities. The Standards Committee may withdraw a Reliability Standard, Interpretation or definition for good cause upon approval by the Board of Trustees. Upon approval by the Board of Trustees, NERC Staff will petition the Applicable Governmental Authorities, as needed, to allow for withdrawal. The Board of Trustees also has an independent right of withdrawal that is unaffected by the terms and conditions of this Section.

#### **4.1918: Retirement of a Reliability Standard, Interpretation, or Definition**

The term “retirement” refers to the discontinuation of a Reliability Standard, Interpretation or definition that has been approved by Applicable Governmental Authorities. A Reliability Standard, Variance or Definition may be retired when it is superseded by a revised version, and in such cases the retirement of the earlier version is to be noted in the implementation plan presented to the ballot pool for approval and the retirement shall be considered approved by the ballot pool upon ballot pool approval of the revised version.

Upon identification of a need to retire a Reliability Standard, Variance, Interpretation or definition, where the item will not be superseded by a new or revised version, a SAR containing the proposal to retire a Reliability Standard, Variance, Interpretation or definition will be posted for a comment period and ballot in the same manner as a Reliability Standard. The proposal shall include the rationale for the retirement and a statement regarding the impact of retirement on the reliability of the Bulk Power System. Upon approval by the Board of Trustees, NERC Staff will petition the Applicable Governmental Authorities to allow for retirement.

## Section 5.0: Process for Developing a Defined Term

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NERC maintains a glossary of approved terms, entitled the *Glossary of Terms Used in NERC Reliability Standards*<sup>28</sup> (“Glossary of Terms”). The Glossary of Terms includes terms that have been through the formal approval process and are used in one or more NERC Reliability Standards. Definitions shall not contain statements of performance Requirements. The Glossary of Terms is intended to provide consistency throughout the Reliability Standards.

There are several methods that can be used to add, modify or retire a defined term used in a continent-wide Reliability Standard.

- Anyone can use a Standard Authorization Request (“SAR”) to submit a request to add, modify, or retire a defined term.
- Anyone can submit a Standards Comments and Suggestions Form recommending the addition, modification, or retirement of a defined term. (The suggestion would be added to a project and incorporated into a SAR.)
- A drafting team may propose to add, modify, or retire a defined term in conjunction with the work it is already performing.

### 5.1: Proposals to Develop a New or Revised Definition

The following considerations should be made when considering proposals for new or revised definitions:

- Some NERC Regional Entities have defined terms that have been approved for use in Regional Reliability Standards, and where the drafting team agrees with a term already defined by a Regional Entity, the same definition should be adopted if needed to support a NERC Reliability Standard.
- If a term is used in a Reliability Standard according to its common meaning (as found in a collegiate dictionary), the term shall not be proposed for addition to the Glossary of Terms.
- If a term has already been defined, any proposal to modify or delete that term shall consider all uses of the definition in approved Reliability Standards, with a goal of determining whether the proposed modification is acceptable, and whether the proposed modification would change the scope or intent of any approved Reliability Standards.
- When practical, where NAESB has a definition for a term, the drafting team shall use the same definition to support a NERC Reliability Standard.

Any definition that is balloted separately from a proposed new or modified Reliability Standard or from a proposal for retirement of a Reliability Standard shall be accompanied by an implementation plan.

If a SAR is submitted to the NERC Reliability Standards Staff with a proposal for a new or revised definition, the Standards Committee shall consider the urgency of developing the new or revised definition and may direct NERC Staff to post the SAR immediately, or may defer posting the SAR until a later time based on its priority relative to other projects already underway or already approved for future development. If the SAR identifies a term that is used in a Reliability Standard already under revision by a drafting team, the Standards Committee may direct the drafting team to add the term to the scope of the existing project. Each time the Standards Committee accepts a SAR for a project that was not identified in the *Reliability Standards Development Plan*, the project shall be added to the list of approved projects.

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<sup>28</sup> The latest approved version of the Glossary of Terms is posted on the NERC website on the Standards web page.

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## **5.2: Stakeholder Comments and Approvals**

Any proposal for a new or revised definition shall be processed in the same manner as a Reliability Standard and quality review shall be conducted in parallel with this process. Once authorized by the Standards Committee, the proposed definition and its implementation plan shall be posted for at least one formal stakeholder comment period and shall be balloted in the same manner as a Reliability Standard. If a new or revised definition is proposed by a drafting team, that definition may be balloted separately from the associated Reliability Standard.

Each definition that is approved by its ballot pool shall be submitted to the NERC Board of Trustees for adoption and then filed with Applicable Governmental Authorities for approval in the same manner as a Reliability Standard.



## Section 6.0: Process for Conducting Field Tests

While most drafting teams can develop Reliability Standards without the need to conduct any field tests and without the need to collect and analyze data, some Reliability Standard development efforts may benefit from field tests to analyze data and validate concepts in the development of Reliability Standards. Drafting teams are not required to collect and analyze data or to conduct a field test to validate a Reliability Standard.

A field test is initiated by either a SAR or Reliability Standard drafting team. ~~The drafting team may be supplemented with other individuals based on the required technical expertise needed to support the field test.~~ The drafting team is responsible for developing the field test plan, including the implementation schedule, and ~~for~~ identifying compliance-related issues, such as the potential need for compliance waivers.

### 6.1: Field Tests and Data Analysis (collectively “field test”)

- Field tests to validate concepts ~~that supports~~ supporting the development of Reliability Standards should be conducted, ~~to the extent possible,~~ before finalizing the SAR for a project ~~is finalized.~~
- To conduct a field test of a technical concept in a proposed new or revised Reliability Standard, the drafting team ~~must~~ shall work with NERC Staff to identify one of NERC’s technical committees to oversee the field test as well as other technical committees with relevant technical expertise.
- The ~~field test is conducted by the~~ drafting team shall perform the field test, in coordination with NERC Staff and under the ~~oversight~~ supervision of the assigned technical committee, in accordance with an approved field test plan. The drafting team may be assisted by other individuals based on the required expertise needed to support the field test.
- The lead NERC technical committee shall identify potential field test participants.

#### 6.1.1: Field Test Approval

The request to conduct a field test shall include, at a minimum:

- the field test plan;
- the implementation schedule; and
- ~~an expectation a schedule~~ for providing periodic updates ~~of the~~ regarding field test results and analysis ~~of the results~~ to the lead NERC technical committee.

Prior to the drafting team conducting a field test, the drafting team ~~must~~ shall: (i) first receive approval from the lead NERC technical committee. ~~Second, the drafting team must; and (ii) then~~ receive approval from the Standards Committee.

The lead NERC technical ~~committee’s~~ committee shall base its approval ~~shall be based~~ on the technical adequacy of the field test ~~plan request~~. Following approval, the lead NERC technical committee shall provide a recommendation to the Standards Committee for the disposition of the field test ~~plan request~~. ~~The lead NERC technical committee shall coordinate all entity participation in the field test, such as accepting, adding, and withdrawing individual entities from the field test, as well as coordinating and communicating status of the results of the field test.~~ request.

The Standards Committee’s decision to approve the field test ~~plan request~~ shall be based ~~solely on whether the Standards Committee, by majority vote, agrees or disagrees with the lead NERC technical committee’s: (i) an affirmative~~ recommendation. ~~If the Standards Committee disagrees with the lead NERC technical committee’s recommendation, the Standards Committee shall inform from~~ the lead NERC technical committee ~~with~~ regarding the field test plan; and (ii) the Standard Committee’s approval of the implementation schedule and the periodic update

schedule. If the Standards Committee rejects the field test request, the Standards Committee shall provide an explanation of the ~~basis for the decision~~ to the lead NERC technical committee.

### **6.1.2: Compliance Waivers**

After approval of the field test, the drafting team may request Compliance waivers of compliance may be required for Registered Entities for field test participants that would be rendered incapable of complying with the Requirement(s) of a currently enforceable Reliability Standard due to their participation in the field test. The NERC Compliance Monitoring and Enforcement Program Staff shall determine whether to approve ~~the any such requested compliance~~ waivers and shall be responsible for approving any modifications or terminations to approved waivers that may become necessary following the start of the field test. ~~The NERC Reliability Standards Staff shall inform-notify the affected Registered Entities of all compliance waiver determinations.~~

### **6.1.3: Field Test Suspension for Reliability Concerns**

During the field test, if NERC or the lead NERC technical committee overseeing the field test determines that the field test is creating a reliability risk to the Bulk Power System, NERC or the lead NERC technical committee shall:

- ~~the lead NERC technical committee shall stop or modify~~ the activity;
- ~~the lead NERC technical committee shall~~ inform the Standards Committee that the activity was stopped ~~or modified;~~ and
- their NERC or the lead technical committee is of the opinion a modification to the field test is necessary, provide a technical justification to the drafting team.

The Standards Committee, with the assistance of NERC Staff, shall:

- document the cessation or modification of the field test; and
- ~~the Standards Committee, with the assistance of NERC Staff, shall~~ notify NERC Compliance Monitoring and Enforcement Program Staff to coordinate any compliance-related issues such as ~~continuance~~ continuing or ~~cessation of terminating~~ waivers, where applicable (see Section 6.1.2).

Prior to modifying the field test or restarting the field test ~~being restarted~~ after it has been stopped, the drafting team ~~must~~ shall resubmit the field test request and receive approval as outlined in Section 6.1.1.

### **6.1.3.4: Continuing, Modifying, or Terminating a Field Test**

If the drafting team ~~concludes~~ determines that a field test does not provide sufficient information to formulate a conclusion within the time allotted in the plan, ~~the drafting team it~~ shall provide ~~a recommendation to either continue (including extending the duration of the field test beyond the period of standard development), modify, or terminate the field test~~ to the lead NERC technical committee and the chair of the Standards Committee a recommendation to continue, modify, or terminate the field test. The lead NERC technical committee shall either approve or reject a request to continue, modify, or terminate the field test; and thereafter, provide notice to the ~~chair of the~~ Standards Committee chair of its ~~selection decision~~. The Standards Committee shall notify NERC Compliance Monitoring and Enforcement Program Staff to coordinate any compliance-related issues such as continuing or terminating waivers (see Section 6.1.2).

If the duration of the field test is extended beyond the period of standard development, NERC Staff shall post the preliminary report and results ~~shall be publicly posted~~ on the NERC web site prior to the final ballot of the Reliability Standard.

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## 6.2: Communication and Coordination for All Types of Field Tests

~~After approval of the field test, the drafting team may request waivers of compliance for field test participants that would be rendered incapable of complying with the Requirement(s) of a currently enforceable Reliability Standard due to their participation. The NERC Compliance Monitoring and Enforcement Program Staff shall determine whether to approve the requested waivers and shall be responsible for approving any modifications or terminations that may become necessary following the start of the field test. The NERC Reliability Standards Staff shall inform the affected Registered Entities. Prior to initiation of the field test, the chair of the Standards Committee, in conjunction with the lead NERC technical committee chair, shall inform the Board of Trustees of the pending field test, the expected duration, and any requested compliance waivers ~~of compliance for Registered Entities.~~~~

During the field test, the drafting team shall provide periodic updates (no less than quarterly) on the progress of the field test to the Standards Committee and the NERC technical committees. Prior to the ballot of any standard involving a field test, the drafting team shall provide to the Standards Committee either a preliminary report of the results of the field test to date, if the field test will continue beyond standard development, or a final report if the field test has been completed. The chair of the Standards Committee shall keep the Board of Trustees informed.

The approved field test plan and any modifications thereto, along with all field test reports and results, shall be publicly posted on the NERC web site. ~~This posting shall include the~~The participant list shall also be posted, unless ~~it is determined that~~ posting this list would present confidentiality or other concerns.

## Section 7.0: Process for Developing an Interpretation

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. A valid Interpretation response provides additional clarity about one or more Requirements, but does not expand on any Requirement and does not explain how to comply with any Requirement. Any entity that is directly and materially affected by the reliability of the North American Bulk Power Systems may request an Interpretation of any Requirement in any continent-wide Reliability Standard that has been adopted by the NERC Board of Trustees. Interpretations will only be provided for Board of Trustees-approved Reliability Standards *i.e.* (i) the current effective version of a Reliability Standard; or (ii) a version of a Reliability Standard with a future effective date.

### 7.1: Valid Interpretation Criteria

~~A~~A valid Interpretation may only clarify or explain the meaning of the language of the Requirement(s) of an approved Reliability Standard, including, if applicable, any ~~attachment~~-referenced ~~in the Requirement. The~~attachment. A valid Interpretation may not alter the scope or ~~the~~ language of a Requirement or referenced attachment. No other elements of an approved Reliability Standard are subject to an Interpretation.

### 7.2: Process for Requesting an Interpretation

The entity requesting ~~the~~an Interpretation shall submit a *Request for Interpretation* form<sup>29</sup> to ~~the~~NERC ~~Reliability Standards~~ Staff explaining the clarification ~~required~~or explanation requested, the specific circumstances surrounding the request, and the impact of not having the Interpretation provided. ~~NERC Reliability Standards and Legal~~NERC Staff shall review the request for Interpretation to determine whether it meets the ~~requirements~~criteria for a valid Interpretation. Based on this review, NERC Staff shall make a recommendation to the Standards Committee whether to accept the request for Interpretation and move forward in responding to the Interpretation request. NERC Staff shall periodically communicate to the Standards Committee the status of all Interpretation requests that are pending resolution.

#### 7.2.1: Rejection of an Interpretation Request

~~A~~The Standards Committee may reject a request for Interpretation ~~may be rejected~~ in the following circumstances:

- ~~Where the~~The request seeks approval of a particular compliance approach.<sup>30</sup>
- ~~Where the~~The issue can be addressed by incorporating the issue into an existing ~~or future~~ standard development project or a project contemplated in a published development plan.
- ~~Where the~~The request seeks clarification or explanation of any element of a Reliability Standard other than a Requirement or referenced attachment.
- ~~Where the~~The issue has already been addressed in the record.<sup>31</sup>
- ~~Where the~~The request identifies an issue and proposes the development of a new or modified Reliability Standard (such issues should be addressed via submission of a SAR).
- ~~Where the~~The request seeks to ~~expand~~alter the scope of a Reliability Standard.
- ~~Where the~~The meaning of a Reliability Standard is clear and evident by inspection or the plain on its face words that are written.

<sup>29</sup> The *Request for Interpretation* form is posted on the NERC Standards web page.

<sup>30</sup> Requests that ~~contain~~seek approval of specific compliance approaches, or examples of compliance, are not candidates for Interpretations and should be pursued through the applicable NERC Compliance Monitoring and Enforcement Program processes.

<sup>31</sup> The “record” is generally understood to refer to the record of development, regulatory approval record, or other materials developed to support the development or approval of a Reliability Standard.

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If the Standards Committee rejects the Interpretation request, it shall provide a written explanation for the rejection to the entity requesting the Interpretation within 10 business days of the decision to reject.

### 7.2.2: Acceptance of an Interpretation Request

If the Standards Committee accepts the Interpretation request, ~~the Standards Committee it~~ shall authorize NERC ~~Reliability Standards~~ Staff to assemble an Interpretation drafting team for approval by the Standards Committee with the relevant expertise to address the request.

### 7.2.3: Development of an Interpretation

As soon as practical, the Interpretation drafting team shall develop a draft Interpretation ~~addressing the request~~, consistent with Section 7.1. Interpretations shall be developed in accordance with the following process:

- NERC ~~Reliability Standards staff~~ Staff shall review the draft Interpretation to determine whether it ~~has met~~ meets the ~~requirements~~ criteria for a valid Interpretation and ~~to~~ shall provide ~~a recommendation~~ to the Standards Committee ~~whether a recommendation~~ to authorize posting or remand to the Interpretation drafting team for further work.
- The Standards Committee, after ~~review of~~ reviewing the Staff recommendation, ~~may~~ shall determine whether to authorize posting of the draft Interpretation for comment and ballot.
- Interpretations shall be balloted in the same manner as Reliability Standards (see Section 4.0), ~~with the following exceptions:~~
  - ~~Interpretations shall be posted for a 30-day informal comment period. The Interpretation drafting team is not required to respond in writing to comments submitted during this comment period.~~
  - ~~The NERC Reliability Standards Staff shall establish a ballot pool during the first 20 days of the 30-day informal comment period.~~
  - ~~The ballot window shall take place during the last 10 calendar days of the 30-day informal comment period.~~
  - ~~Final Ballots shall not be conducted for Interpretations. An Interpretation shall be deemed approved by the ballot pool following the first ballot in which the necessary quorum and sufficient affirmative votes are obtained.~~

If the ballot results indicate that there is not a consensus for the Interpretation, and the Interpretation drafting team cannot revise the Interpretation without violating the basic criteria for what constitutes a valid Interpretation (see Section 7.1), the Interpretation drafting team shall notify the Standards Committee of its conclusion and may submit a SAR with the proposed modification to the Reliability Standard. The entity that requested the Interpretation shall be notified in writing and the disposition of the Interpretation shall be posted.

If, during its deliberations, the Interpretation drafting team identifies a potential ~~reliability-related deficiency risk not addressed~~ in the Reliability Standard that is highlighted by the Interpretation request, the Interpretation drafting team shall notify the Standards Committee of its conclusion and may submit a SAR with its recommendation at the same time it provides its proposed Interpretation.

If ~~approved by~~ the ballot pool approves the Interpretation, NERC Staff shall review ~~the final Interpretation it~~ to determine whether it ~~has met~~ meets the ~~requirements~~ criteria for a valid Interpretation and shall make a recommendation to the NERC Board of Trustees regarding adoption.

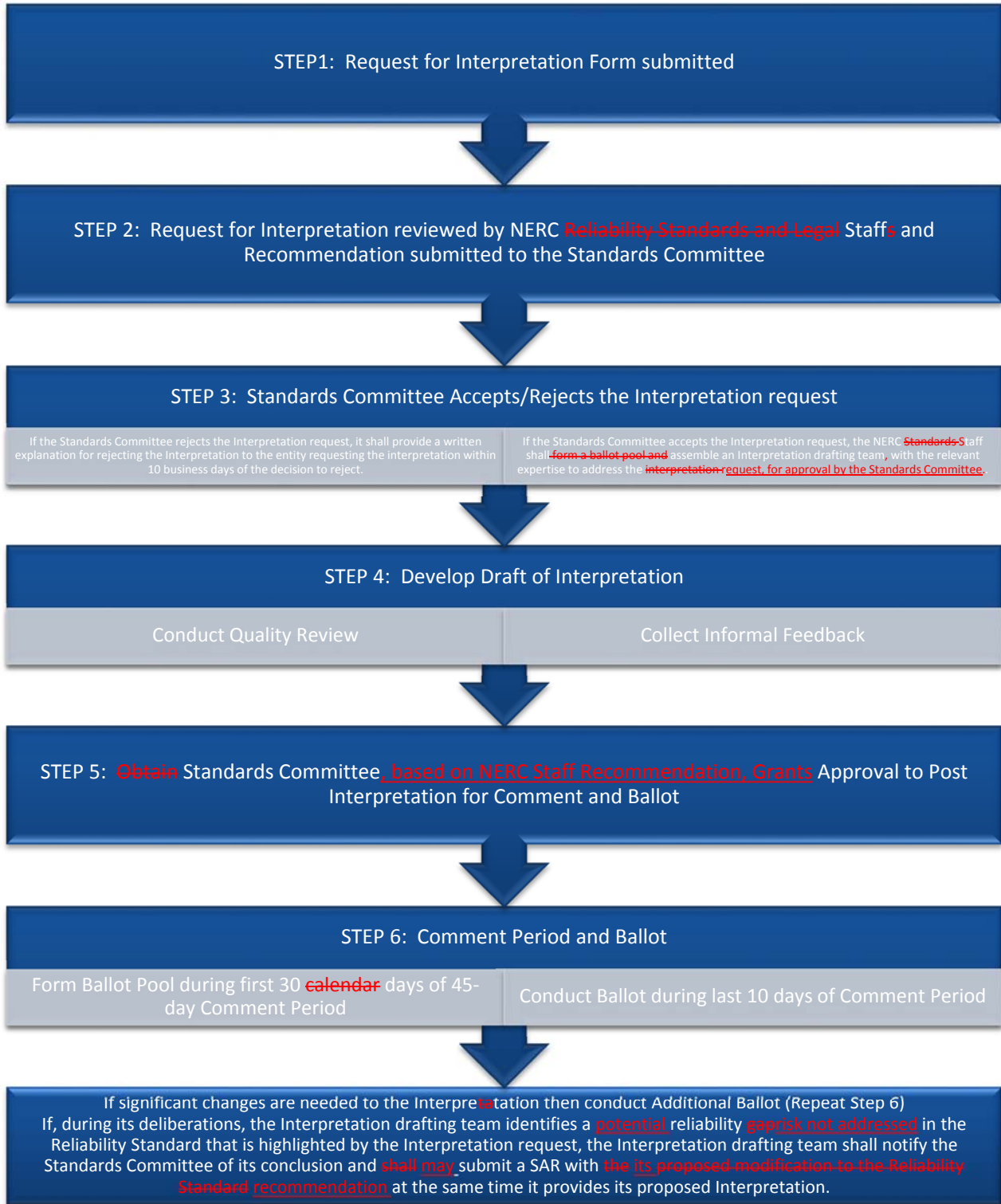
If an Interpretation drafting team recommends ~~a modification to~~ modifying a Reliability Standard ~~as part of~~ based on its work in developing ~~an~~ the Interpretation, the Board of Trustees shall be notified of this recommendation at the time the Interpretation is submitted for adoption. Following Board of Trustees adoption, the Interpretation shall be

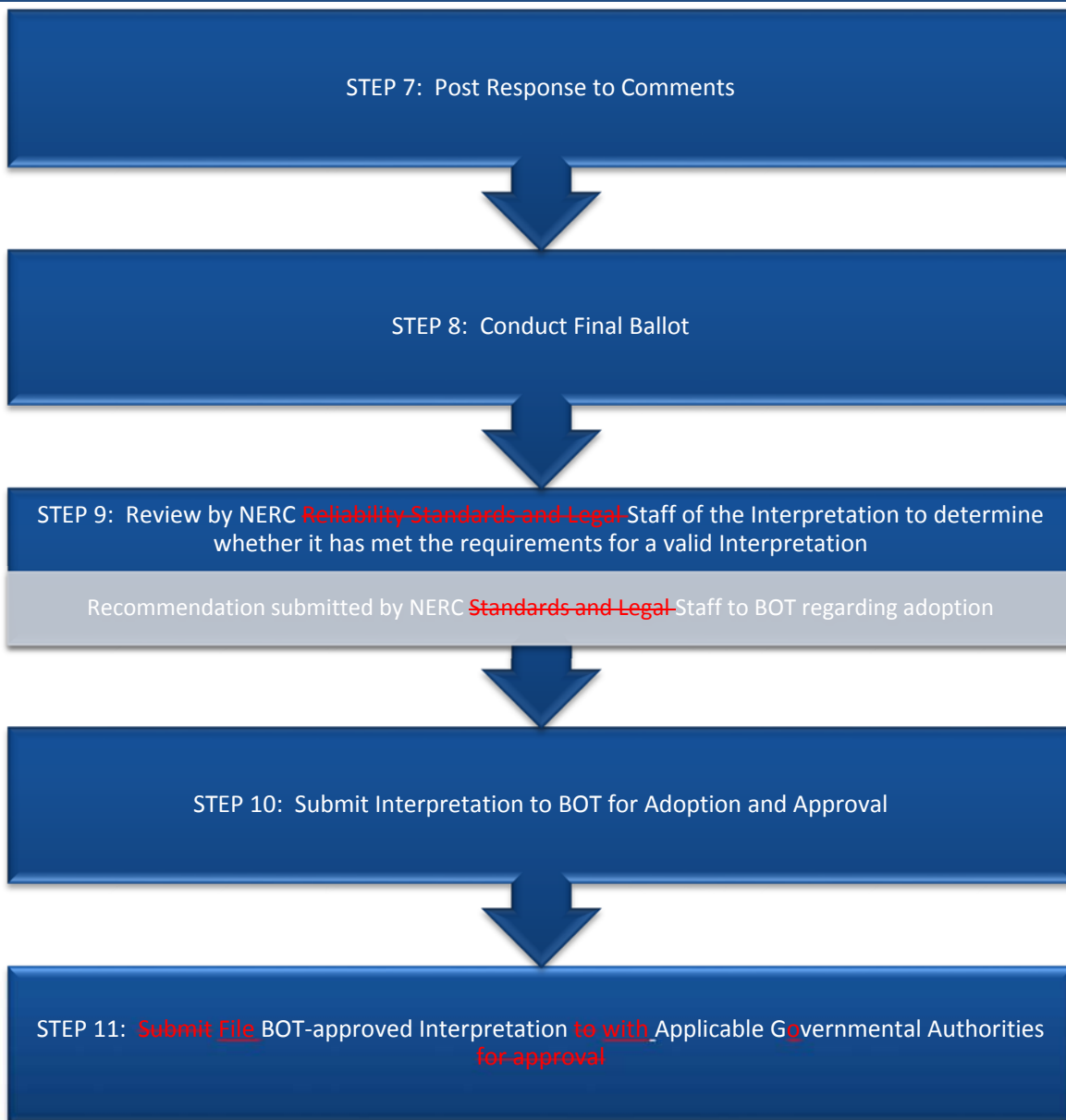
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filed with the Applicable Governmental Authorities, and the Interpretation shall become effective when approved by those Applicable Governmental Authorities.<sup>32</sup> The Interpretation shall stand until ~~the Interpretation~~ can be incorporated into a future revision of the Reliability Standard or ~~the Interpretation~~ is retired due to a future modification of the applicable Requirement.

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<sup>32</sup> NERC will maintain a record of all ~~interpretations~~Interpretations associated with each standard on the Reliability Standards page of the NERC website.





**FIGURE 2: Process for Developing an Interpretation**



## Section 8.0: Process for Appealing an Action or Inaction

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Any entity that has directly and materially affected interests and that has been or will be adversely affected by any procedural action or inaction related to the development, approval, revision, reaffirmation, retirement or withdrawal of a Reliability Standard, definition, Variance, associated implementation plan, or Interpretation shall have the right to appeal. This appeals process applies only to the NERC Reliability Standards processes as defined in this manual, not to the technical content of the Reliability Standards action.

The burden of proof to show adverse effect shall be on the appellant. Appeals shall be made in writing 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. 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.

### 8.1: Level 1 Appeal

Level 1 is the required first step in the appeals process. The appellant shall submit (to the Director of Standards) a complaint in writing that describes the procedural action or inaction associated with the Reliability Standards process. The appellant shall describe in the complaint the actual or potential adverse impact to the appellant. Assisted by NERC Staff and industry resources as needed, the Director of Standards or its designee 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 shall be made a part of the public record associated with the Reliability Standard.

At any time prior to receiving the written response to the Level 1 Appeal, an appellant may withdraw the Level 1 Appeal with written notice to the Director of Standards.

### 8.2: 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 Director of Standards, the Director of Standards or its designee shall convene a Level 2 Appeals Panel. This panel shall consist of five members 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 NERC Reliability Standards Staff shall post the complaint and other relevant materials and provide at least 30 ~~days~~days' notice of the meeting of the Level 2 Appeals Panel. In addition to the appellant, any entity that is directly and materially affected by the 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, definition, Variance or Interpretation or implementation plan as these responsibilities remain with the ballot pool and Board of Trustees respectively. The actions of the Level 2 Appeals Panel shall be publicly posted.

At any time prior to the meeting of the Level 2 Appeals Panel, an appellant may withdraw the Level 2 Appeal and accept the results of the Level 1 Appeal by providing written notice to the Director of Standards.

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, definition, Variance or Interpretation. The objection shall be in writing, signed by an officer of the objecting entity, and contain

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a concise statement of the relief requested and a clear demonstration of the facts that justify that relief. The objection shall be filed no later than 30 days after the announcement of the vote by the ballot pool on the Reliability Standard in question.

## Section 9.0: Process for Developing a Variance

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A Variance is an approved, alternative method of achieving the reliability intent of one or more Requirements in a Reliability Standard. No Regional Entity or Bulk Power System owner, operator, or user shall claim a Variance from a NERC Reliability Standard without approval of such a Variance through the relevant Reliability Standard approval procedure for the Variance. Each Variance from a NERC Reliability Standard that is approved by NERC and Applicable Governmental Authorities shall be made an enforceable part of the associated NERC Reliability Standard.

NERC's drafting teams shall aim to develop Reliability Standards with Requirements that apply on a continent-wide basis, minimizing the need for Variances while still achieving the Reliability Standard's reliability objectives. If one or more Requirements cannot be met or complied with as written because of a physical difference in the Bulk Power System or because of an operational difference (such as a conflict with a federally or provincially approved tariff), but the Requirement's reliability objective can be achieved in a different fashion, an entity or a group of entities may pursue a Variance from one or more Requirements in a continent-wide Reliability Standard. It is the responsibility of the entity that needs a Variance to identify that need and initiate the processing of that Variance through the submittal of a SAR<sup>33</sup> that includes a clear definition of the basis for the Variance.

There are two types of Variances – those that apply on an Interconnection-wide basis, and those that apply to one or more entities on less than an Interconnection-wide basis.

### 9.1: Interconnection-wide Variances

Any Variance from a NERC Reliability Standard Requirement that is proposed to apply to Registered Entities within a Regional Entity organized on an Interconnection-wide basis shall be considered an Interconnection-wide Variance and shall be developed through that Regional Entity's NERC-approved Regional Reliability Standards development procedure.

Where a Regional Entity is not organized on an Interconnection-wide basis, but a Variance is proposed to apply to Registered Entities within an Interconnection wholly contained in that Regional Entity's footprint, the Variance may be developed through that Regional Entity's NERC-approved Regional Reliability Standards development procedure.

While an Interconnection-wide Variance may be developed through the associated Regional Reliability Standards development process, Regional Entities are encouraged to work collaboratively with existing continent-wide drafting teams to reduce potential conflicts between the two efforts.

An Interconnection-wide 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 associated NERC Reliability Standard. NERC shall rebuttably presume that an Interconnection-wide Variance from a NERC Reliability Standard that is developed, in accordance with a Regional Reliability Standards development 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.

### 9.2: Variances that Apply on Less than an Interconnection-wide Basis

Any Variance from a NERC Reliability Standard Requirement that is proposed to apply to one or more entities but less than an entire Interconnection (*e.g.*, 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 considered a Variance. A Variance may be requested while a Reliability Standard is under development or a Variance may be requested at any time after a Reliability Standard is approved. Each request for a Variance shall be initiated through a SAR, and processed and

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<sup>33</sup> A sample of a SAR that identifies the need for a Variance and a sample Variance are posted as resources on the Reliability Standards Resources web page.

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approved in the same manner as a continent-wide Reliability Standard, using the Reliability Standards development process defined in this manual.

## Section 10.0: Processes for Developing a Reliability Standard Related to a Confidential Issue

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While it is NERC's intent to use its ANSI-accredited Reliability Standards development process for developing its Reliability Standards, NERC has an obligation as the ERO to ensure that there are Reliability Standards in place to preserve the reliability of the interconnected Bulk Power Systems throughout North America. When faced with a national security emergency situation, NERC may use one of the following special processes to develop a Reliability Standard that addresses an issue that is confidential. Reliability Standards developed using one of the following processes shall be called, "special Reliability Standards" and shall not be filed with ANSI for approval as American National Standards.

The NERC Board of Trustees may direct the development of a new or revised Reliability Standard to address a national security situation that involves confidential issues. These situations may involve imminent or long-term threats. In general, these Board directives will be driven by information from the President of the United States of America or the Prime Minister of Canada or a national security agency or national intelligence agency of either or both governments indicating (to the ERO) that there is a national security threat to the reliability of the Bulk Power System.<sup>34</sup>

There are two special processes for developing Reliability Standards responsive to confidential issues – one process where the confidential issue is "imminent," and one process where the confidential issue is "not imminent."

### 10.1: Process for Developing Reliability Standards Responsive to Imminent, Confidential Issues

If the NERC Board of Trustees directs the immediate development of a new or revised Reliability Standard to address a confidential national security emergency situation, the NERC Reliability Standards Staff shall develop a SAR, form a ballot pool (to vote on the Reliability Standard and its implementation plan) and assemble a slate of pre-defined subject matter experts as a proposed drafting team for approval by the Standards Committee's officers. All members of the Registered Ballot Body shall have the opportunity to join the ballot pool.

### 10.2: Drafting Team Selection

The Reliability Standard drafting team selection process shall be limited to just those candidates who have already been identified as having the appropriate security clearance, the requisite technical expertise, and either have signed or are willing to sign a strict confidentiality agreement.

### 10.3: Work of Drafting Team

The Reliability Standard drafting team shall perform all its work under strict security and ~~confidential~~confidentiality rules. The Reliability Standard drafting team shall develop the new or revised Reliability Standard and its implementation plan.

The Reliability Standard drafting team shall review its work, to the extent practical, as it is being developed with officials from the appropriate governmental agencies in the U.S. and Canada, under strict security and confidentiality rules.

### 10.4: Formal Stakeholder Comment & Ballot Window

The draft Reliability Standard and its implementation plan shall be distributed for a formal comment period, under strict confidentiality rules, only to those entities that are listed in the NERC Compliance Registry to perform one of the functions identified in the applicability section of the Reliability Standard and have identified individuals from

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<sup>34</sup> The NERC Board may direct the immediate development and issuance of a Level 3 (Essential Action) alert and then may also direct the immediate development of a new or revised Reliability Standard.

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their organizations that have signed confidentiality agreements with NERC.<sup>35</sup> At the same time, the Reliability Standard shall be distributed to the members of the ballot pool for review and ballot. The NERC Reliability Standards Staff shall not post or provide the ballot pool with any confidential background information.

The drafting team, working with the NERC Reliability Standards Staff, shall consider and respond to all comments, make any necessary conforming changes to the Reliability Standard and its implementation plan, and shall distribute the comments, responses and any revision to the same population as received the initial set of documents for formal comment and ballot.

### **10.5: Board of Trustee Actions**

Each Reliability Standard and implementation plan developed through this process shall be submitted to the NERC Board of Trustees for adoption.

### **10.6: Governmental Approvals**

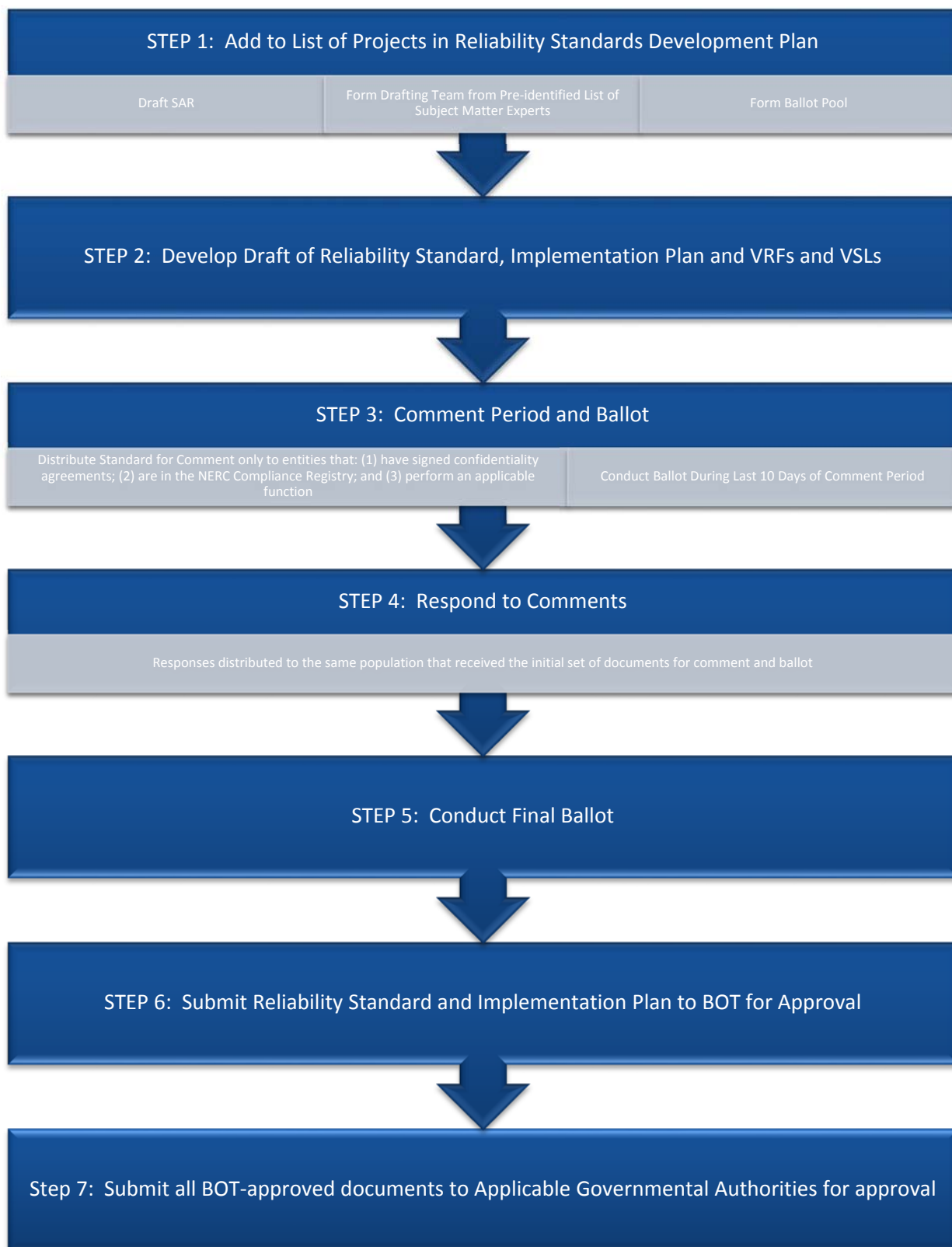
All approved documents shall be filed for approval with Applicable Governmental Authorities.

### **10.7: Developing a Reliability Standard Responsive to an Imminent, Confidential Issue**

[The following flowchart illustrates the process for developing a Reliability Standard responsive to an imminent, confidential issue:](#)

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<sup>35</sup> In this phase of the process, only the proposed Reliability Standard shall be distributed to those entities expected to comply, not the rationale and justification for the Reliability Standard. Only the special drafting team members, who have the appropriate security credentials, shall have access to this rationale and justification.



**FIGURE 3: Process for Developing a Standard Responsive to an Imminent, Confidential Issue**

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## 10.8: Process for Developing Reliability Standards Responsive to Non-imminent, Confidential Issues

If the NERC Board of Trustees directs the immediate development of a new or revised Reliability Standard to address a confidential national security emergency situation, the NERC Reliability Standards Staff shall develop a SAR, form a ballot pool (to vote on the Reliability Standard and its implementation plan) and assemble a slate of pre-defined subject matter experts as a proposed drafting team for approval by the Standards Committee's officers. All members of the Registered Ballot Body shall have the opportunity to join the ballot pool.

## 10.9: Drafting Team Selection

The drafting team selection process shall be limited to just those candidates who have already been identified as having the appropriate security clearance, the requisite technical expertise, and either have signed or are willing to sign a strict confidentiality agreement.

## 10.10: Work of Drafting Team

The drafting team shall perform all its work under strict security and ~~confidential~~confidentiality rules. The Reliability Standard drafting team shall develop the new or revised Reliability Standard and its implementation plan.

The drafting team shall review its work, to the extent practical, as it is being developed with officials from the Applicable Governmental Authorities, under strict security and confidentiality rules.

## 10.11: Formal Stakeholder Comment & Ballot Window

The draft Reliability Standard and its implementation plan shall be distributed for a formal comment period, under strict confidentiality rules, only to those entities that are listed in the NERC Compliance Registry to perform one of the functions identified in the applicability section of the Reliability Standard and have identified individuals from their organizations that have signed confidentiality agreements with NERC.<sup>36</sup> At the same time, the Reliability Standard shall be distributed to the members of the ballot pool for review and ballot. The NERC Reliability Standards Staff shall not post or provide the ballot pool with any confidential background information.

## 10.12: Revisions to Reliability Standard, Implementation Plan and VRFs and VSLs

The drafting team, working with the NERC Reliability Standards Staff, shall work to refine the Reliability Standard, implementation plan and VRFs and VSLs in the same manner as for a new Reliability Standard following the "normal" Reliability Standards development process described earlier in this manual with the exception that distribution of the comments, responses, and new drafts shall be limited to those entities that are in the ballot pool and those entities that are listed in the NERC Compliance Registry to perform one of the functions identified in the applicability section of the Reliability Standard and have identified individuals from their organizations that have signed confidentiality agreements with NERC.

## 10.13: Board of Trustee Action

Each Reliability Standard, implementation plan, and the associated VRFs and VSLs developed through this process shall be submitted to the NERC Board of Trustees for adoption.

## 10.14: Governmental Approvals

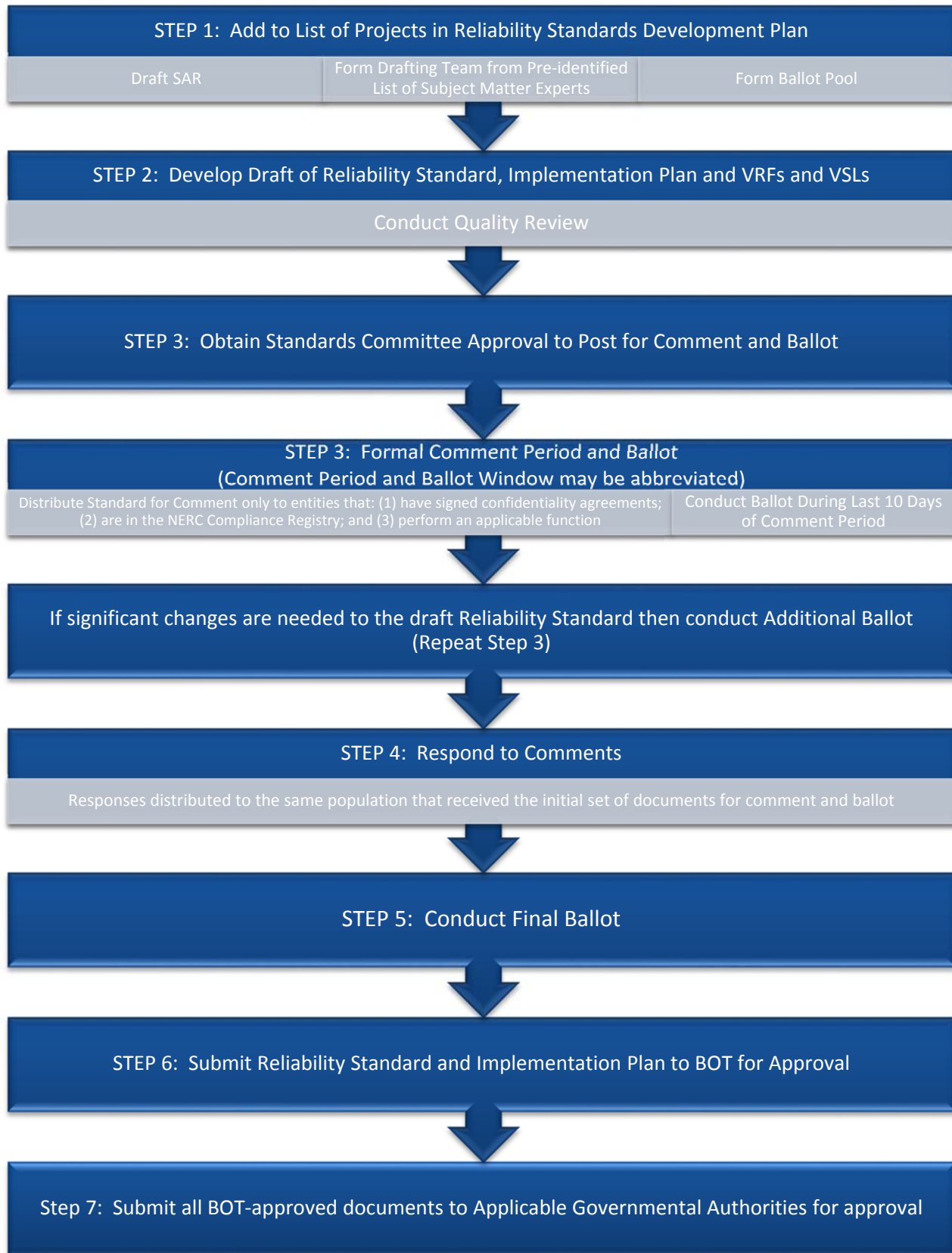
All BOT-approved documents shall be filed for approval with Applicable Governmental Authorities.

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<sup>36</sup> In this phase of the process, only the proposed Reliability Standard shall be distributed to those entities expected to comply, not the rationale and justification for the Reliability Standard. Only the special drafting team members, who have the appropriate security credentials, shall have access to this rationale and justification.



**Developing a Reliability Standard Responsive to a Non-imminent, Confidential Issue**



**FIGURE 4: Developing a Standard Responsive to a Non-Imminent, Confidential Issue**

## Section 11.0: Process for Approving Posting Supporting Technical Documents Alongside an Approved Reliability Standard

The NERC Standards Committee oversees the development and approval of technical documents identified as supporting documents to Reliability Standards approved by the Applicable Governmental Authority. Supporting technical documents may explain or facilitate understanding of Reliability Standards but do not themselves contain mandatory Requirements subject to compliance review. Any mandatory Requirements ~~that are mandatory~~ shall be incorporated into the Reliability Standard in the Reliability Standard development process.

This Section provides the mechanism process by which any stakeholder may propose a supporting technical document to an approved Reliability Standard. The process outlined in this section is designed so ~~that~~ each supporting document receives stakeholder review to verify the accuracy of the technical content prior to being posted as a supporting technical document to an approved Reliability Standard.

During the standard development process, standard drafting teams may develop and post supporting technical documents to the pertinent project page, in accordance with Section 4.0. Following approval of the Reliability Standard, those documents may be posted alongside the standard without requiring separate Standards Committee authorization under this Section.

### 11.1: Types of Supporting Technical Documents

The types of supporting technical documents that may be approved for posting alongside an approved Reliability Standard under this Section are listed below.

Type of Document	Description
Reference	Descriptive, technical information or analysis or explanatory information to support the understanding of an approved Reliability Standard.
Lessons Learned	Documents designed to convey lessons learned related to an approved Reliability Standard. A Lessons Learned document cannot establish new Requirements or modify Requirements in any existing Reliability Standard.
White Paper	An informal paper stating a position or concept. A white paper may have been used to propose preliminary concepts for a Reliability Standard or a Reference document.

Documents that contain specific compliance approaches or examples ~~of compliance. Such are not considered supporting technical~~ documents ~~would be developed in accordance with the applicable NERC Compliance Monitoring and Enforcement Program process under this Section.~~

### 11.2: Process for Proposing and Evaluating Supporting Technical Documents

Proposals for supporting technical documents to approved Reliability Standards shall be submitted to the NERC Reliability Standards Staff.

NERC Staff shall conduct a review of the proposed supporting technical document. In performing this review, NERC Staff may consult any technical resources it deems appropriate. The purpose of this review is to determine whether the proposed supporting technical document meets the following ~~three~~ criteria:

1. the document is a type of supporting technical document subject to this Section, as described in Section 11.1;
2. the document is consistent with the purpose and intent of the associated Reliability Standard; and
3. the document has received adequate stakeholder review to assess its technical adequacy, such as through a NERC technical committee review process, public comment period(s) held during the development of the associated Reliability Standard, or other stakeholder review process.

~~Whereif~~ NERC Staff determines that the proposed supporting technical document ~~has met the~~meets all three criteria specified above, NERC Staff shall submit the proposed supporting technical document to the Standards Committee as specified in Section 11.3 below.

~~Whereif~~ NERC Staff determines that the proposed supporting technical document does not meet the first or second ~~criteria~~criterion specified above, NERC Staff shall notify the submitter, in writing, that the document will not be posted as a supporting technical document under this Section. This notification shall ~~be made in writing with~~include an explanation of the basis for the decision. NERC Staff shall also notify the Standards Committee of ~~this~~its determination at the next regularly ~~scheduled~~ Standards Committee meeting~~s~~.

~~Whereif~~ NERC Staff determines that the proposed supporting technical document meets the first and second criteria, but has not yet received adequate stakeholder review under the third ~~criteria~~criterion, NERC Staff shall make a recommendation to the Standards Committee to authorize ~~the posting of~~ the proposed supporting technical document for stakeholder review to verify the accuracy of the technical content. This comment period shall be for 30 days, unless ~~directed otherwise by~~ the Standards Committee ~~directs otherwise~~. Upon conclusion of the comment period, NERC Staff shall compile the comments and provide them to the submitter for consideration. If the submitter modifies the proposed supporting technical document based on stakeholder comments, NERC Staff may post the document for additional comment periods to provide for sufficient ~~vetting and~~ technical review.

### **11.3: Approving a Supporting Technical Document**

~~Following its determination~~After determining that the proposed supporting technical document ~~has met~~meets the three criteria specified in Section 11.2, NERC Staff shall present the supporting technical document to the NERC Standards Committee with a recommendation regarding whether the Standards Committee should approve posting the supporting technical document with the approved Reliability Standard on the pertinent NERC website page(s).

## Section 12.0: Process for Correcting Errata

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From time to time, an error may be discovered in a Reliability Standard. Such errors may be corrected (i) following a Final Ballot prior to Board of Trustees adoption, (ii) following Board of Trustees adoption prior to filing with Applicable Governmental Authorities; and (iii) following filing with Applicable Governmental Authorities. If the Standards Committee agrees that the correction of the error does not change the scope or intent of the associated Reliability Standard, and agrees that the correction has no material impact on the end users of the Reliability Standard, then the correction shall be filed for approval with Applicable Governmental Authorities as appropriate. The NERC Board of Trustees has resolved to concurrently approve any errata approved by the Standards Committee.

## Section 13.0: Process for Conducting Periodic Reviews of Reliability Standards

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All Reliability Standards shall be reviewed at least once every ten years from the effective date of the Reliability Standard or the date of the latest Board of Trustees adoption to a revision of the Reliability Standard, whichever is later. If a Reliability Standard is approved by ANSI as an American National Standard, it shall be reviewed at least once every five years from the effective date of the Reliability Standard or the date of the latest Board of Trustees adoption to a revision of the Reliability Standard, whichever is later.

The *Reliability Standards Development Plan* shall include projects that address this five or ten-year review of Reliability Standards.

- If a Reliability Standard is nearing its five or ten-year review and has issues that need resolution, then the *Reliability Standards Development Plan* shall include a project for the complete review and associated revision of that Reliability Standard that includes addressing all outstanding governmental directives, all approved Interpretations, and all unresolved issues identified by stakeholders.
- If a Reliability Standard is nearing its five or ten-year review and there are no outstanding governmental directives, Interpretations, or unresolved stakeholder issues associated with that Reliability Standard, then the *Reliability Standards Development Plan* shall include a project solely for the “~~five-year~~periodic review” of that Reliability Standard.

For a project that is focused solely on the five-year~~periodic~~ review, the Standards Committee shall appoint a review team of subject matter experts to review the Reliability Standard and recommend whether the ~~American National Standard Institute approved~~ Reliability Standard should be reaffirmed, revised, or withdrawn. Each review team shall post its recommendations for a ~~45-calendar~~day formal stakeholder comment period and shall provide those stakeholder comments to the Standards Committee for consideration.

- If a review team recommends reaffirming a Reliability Standard, the Standards Committee shall submit the reaffirmation to the Board of Trustees for adoption and then to Applicable Governmental Authorities for approval. Reaffirmation does not require approval by stakeholder ballot.
- If a review team recommends modifying, or retiring a Reliability Standard, the team shall develop a SAR with such a proposal and the SAR shall be submitted to the Standards Committee for prioritization as a new project. Each existing Reliability Standard recommended for modification, or retirement shall remain in effect in accordance with the associated implementation plan until the action to modify or withdraw the Reliability Standard is approved by its ballot pool, adopted by the Board of Trustees, and approved by Applicable Governmental Authorities.

In the case of reaffirmation of a Reliability Standard, the Reliability Standard shall remain in effect until the next five or ten-year review or until the Reliability Standard is otherwise modified or withdrawn by a separate action.

## **Section 14.0: Public Access to Reliability Standards Information**

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### **14.1: Online Reliability Standards Information System**

The NERC Reliability Standards Staff shall maintain an electronic copy of information regarding currently proposed and currently in effect Reliability Standards. This information shall include current Reliability Standards in effect, proposed revisions to Reliability Standards, and proposed new Reliability 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.

### **14.2: Archived Reliability Standards Information**

The NERC Staff shall maintain a historical record of Reliability Standards information that is no longer maintained online. 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 Reliability Standard was no longer in effect. Archived records of Reliability Standards information shall be available electronically within 30 days following the receipt by the NERC Reliability Standards Staff of a written request.

## Section 15.0: Process for Updating Standard Processes

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### 15.1: Requests to Revise the Standard Processes Manual

Any person or entity may submit a request to modify one or more of the processes contained within this manual. The Standards Committee shall oversee the handling of each request. The Standards Committee shall prioritize all requests, merge related requests, and respond to each sponsor within 30 ~~calendar~~ days.

The Standards Committee shall post the proposed revisions for a 45-~~(calendar)~~-day formal comment period. Based on the degree of consensus for the revisions, the Standards Committee shall:

- Submit the revised process or processes for ballot pool approval;
- Repeat the posting for additional inputs after making changes based on comments received;
- Remand the proposal to the sponsor for further work; or
- 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 Reliability Standard, including the use of an Additional 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 submit to the Board a description of the basis for the changes, a summary of the comments received, and any minority views expressed in the comment and ballot process. The proposed revisions shall not be effective until approved by the NERC Board of Trustees and Applicable Governmental Authorities.

## Section 16.0: Waiver

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While it is NERC's intent to use its ANSI-accredited Reliability Standards development process for developing its Reliability Standards, NERC may need to develop a new or modified Reliability Standard, definition, Variance, [Interpretation](#), or implementation plan under specific time constraints (such as to meet a time constrained regulatory directive) or to meet an urgent reliability issue such that there isn't sufficient time to follow all the steps in the normal Reliability Standards development process.

The Standards Committee may waive any of the provisions contained in this manual for good cause shown, but limited to the following circumstances:

- In response to a national emergency declared by the United States or Canadian government that involves the reliability of the Bulk Electric System or cyber attack on the Bulk Electric System;
- Where necessary to meet regulatory deadlines;
- Where necessary to meet deadlines imposed by the NERC Board of Trustees; or
- Where the Standards Committee determines that a modification to a proposed Reliability Standard or its Requirement(s), a modification to a defined term, a modification to an interpretation, or a modification to a variance has already been vetted by the industry through the standards development process or is so insubstantial that developing the modification through the processes contained in this manual will add significant time delay.

In no circumstances shall this provision be used to modify the requirements for achieving quorum or the voting requirements for approval of a standard.

A waiver request may be submitted to the Standards Committee by any entity or individual, including NERC committees or subgroups and NERC Staff. Prior to consideration of any waiver request, the Standards Committee must provide five business ~~days~~<sup>days</sup>' notice to stakeholders.

Action on the waiver request will be included in the minutes of the Standards Committee. ~~Following the approval of the Standards Committee to waive any provision of the Standard Process Manual, the Standards Committee will report this decision to the Standards Oversight and Technology Committee.~~<sup>37</sup> Actions taken pursuant to an approved waiver request will be posted on the Standard Project page and included in the next project announcement.

In addition, the Standards Committee shall report the exercise of this waiver provision to the Board of Trustees prior to adoption of the related Reliability Standard, Interpretation, definition or Variance.

Reliability Standards developed as a result of a waiver of any provision of the Standard Processes Manual shall not be filed with ANSI for approval as American National Standards.

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<sup>37</sup>~~—Any entity may appeal a waiver decision or any other procedural decision by the Standards Committee pursuant to Section 8.0 of the NERC Standard Processes Manual.~~



# Unofficial Comment Form

## Revisions to the NERC Standard Processes Manual Appendix 3A to the NERC Rules of Procedure

**Do not** respond using this form, as it is provided for explanation only. Use the [electronic form](#) to provide comments on the revisions to the NERC Standard Processes Manual (SPM). The electronic comment form must be completed and submitted **by 8:00 p.m. Eastern, Thursday, August 9, 2018**.

If you have questions, contact the Manager of Standards Information, [Chris Larson](#) (via email) or at (404) 446-9708.

### Background Information

Under the oversight of the NERC Standards Committee (SC), a small group consisting of Standards Committee Process Subcommittee (SCPS) members and NERC staff have reviewed specific sections of the SPM for the purpose of proposing revisions to clarify and improve existing language and processes.

An initial draft of revisions to Section 6 (field tests) was posted for informal comment from September 29, 2015 through October 28, 2015. A draft revised SPM showing revisions to several sections (Section 6.0, Section 7.0, Section 8.0, Section 11.0, and updates to section 2.1 and Section 3.7) was posted for formal comment from March 20, 2017 through May 3, 2017. The ballot results showed a quorum of 78.65% with an approval rating of 64.72%.

Revisions have been made to address the comments from the 2017 posting period. In addition, revisions are proposed in other sections to clarify language, improve readability, and update language to reflect updates in definitions and the recent dissolution of the NERC Board of Trustees Standards Oversight and Technology Committee. The document has also been reformatted into the current NERC document template.

Please refer to the posted [summary of revisions](#) for a description of the changes that are being proposed in each section.

- Section 1.0: Introduction
- Section 2.0: Elements of a Reliability Standard
- Section 3.0: Reliability Standards Program Organization
- Section 4.0: Process for Developing, Modifying, Withdrawing or Retiring a Reliability Standard
- Section 6.0: Processes for Conducting Field Tests and Collecting and Analyzing Data  
(proposed new title: Process for Conducting Field Tests)
- Section 7.0: Process for Developing an Interpretation

- Section 8.0: Process for Appealing an Action or Inaction
- Section 9.0: Process for Developing a Variance
- Section 10.0: Processes for Developing a Reliability Standard Related to a Confidential Issue
- Section 11.0: Process for Approving Supporting Documents  
(proposed new title: Process for Posting Supporting Technical Documents  
Alongside an Approved Reliability Standard)
- Section 13.0: Process for Conducting Periodic Reviews of Reliability Standards
- Section 16.0: Waiver

## Questions

### Section 4.0

1. Do you agree with the revisions to Section 4.4.2 of the SPM to clarify that drafting teams may develop and post supporting technical documents to help explain or facilitate understanding of draft Reliability Standard(s) or associated element(s)?

Yes

No

Comments:

2. Do you agree that the proposed reorganization of Sections 4.12-4.14 clarifies the existing process for posting and balloting Reliability Standards and responding to comments?

Yes

No

Comments:

3. Do you have any other comments concerning Section 4.0 of the SPM?

Yes

No

Comments:

### Section 6.0

4. Do you agree that the revisions to Section 6.0 of the SPM clarify roles and responsibilities with respect to the conduct of field tests?

Yes

No

Comments:

5. Do you have any other comments concerning Section 6.0 of the SPM?

Yes

No

Comments:

### Section 7.0

6. Do you agree with the revisions to Section 7.0 of the SPM regarding the approval and rejection of interpretation requests?

Yes

No

Comments:

7. Do you agree that Interpretations should continue to be posted for comment and ballot in the same manner as Reliability Standards?

Yes

No

Comments:

8. Do you have any other comments concerning Section 7.0 of the SPM?

Yes

No

Comments:

### Section 9.0

9. Do you agree that the revisions to Section 9.0 of the SPM clarify that variances for the Quebec Interconnection may be developed through the NPCC regional standard development process?

Yes

No

Comments:

### Section 11.0

10. Do you agree that the revisions to Section 11.0 of the SPM clarify the scope and applicability of this section?

Yes

No

Comments:

11. Do you agree that no separate Standards Committee authorization should be required to post a supporting technical document developed by the standard drafting team alongside the approved Reliability Standard on the NERC website?

Yes

No

Comments:

12. Do you have any other comments concerning Section 11.0 of the SPM?

Yes

No

Comments:

### Other Revisions

13. Do you have any comments regarding the updates and clarifications proposed for the first time in this posting of the SPM, including the revisions in Sections 1.0, 2.0, 3.0, 10.0, 13.0, and 16.0?

Yes

No

Comments:

14. Do you have any other comments regarding revisions to any SPM section not specifically identified above?

Yes

No

Comments:

# Summary of Proposed Revisions to the NERC Standard Processes Manual – Second Posting

## Appendix 3A to the NERC Rules of Procedure

Revisions are proposed to sections of the [NERC Standard Processes Manual](#) (SPM), Appendix 3A to the NERC Rules of Procedure.

Redline documents showing the changes from the currently-approved (2013) SPM as well as changes from last posted version of the revised SPM are available on the [Revisions to the NERC SPM](#) page.

The proposed revisions are posted for a 45-day formal comment period from June 25, 2018 through August 9, 2018. An additional ballot will be conducted from July 30 – August 9, 2018. All comments should be submitted through the NERC [Standards Balloting and Commenting System](#) (SBS).

### Background Information

Under the oversight of the NERC Standards Committee (SC), a small group consisting of Standards Committee Process Subcommittee (SCPS) members and NERC staff have reviewed specific sections of the NERC SPM for the purpose of proposing revisions to clarify and improve existing language and processes.

An initial draft of revisions to Section 6 (field tests) was posted for informal comment from September 29, 2015 through October 28, 2015. A draft revised SPM showing revisions to several sections was posted for formal comment from March 20, 2017 through May 3, 2017. The ballot results showed a quorum of 78.65% with an approval rating of 64.72%.

Revisions have been made to address the comments from the 2017 posting period. In addition, revisions are proposed in other sections to clarify language, improve readability, and update language to reflect updates in definitions and the recent dissolution of the NERC Board of Trustees Standards Oversight and Technology Committee. The document has also been reformatted into the current NERC document template.

### Summary of Revisions

#### Section 1.0: Introduction

Revisions are proposed in Section 1.0: Introduction to clarify and streamline language. A provision is added to clarify that the term “days”, unless otherwise specified, refers to calendar days (corresponding changes are also made throughout the document).

## **Section 2.0: Elements of a Reliability Standard**

As first proposed in 2017, updates are made to Section 2.1 - Definition of a Reliability Standard, to reflect the currently effective definition of this term in the NERC Rules of Procedure.

Revisions are proposed in Section 2.5: Elements of a Reliability Standard to clarify language and reflect the Standards Committee's guidance for the development of Technical Rationale documents.

## **Section 3.0: Reliability Standards Program Organization**

Revisions are proposed in Section 3.0 – Reliability Standards Program Organization to clarify language. In section 3.4, information regarding the election of Standards Committee members is replaced with a reference to Appendix 3B to the Rules of Procedure, *Procedures for Election of Members of the Standards Committee*. Section 3.6 is modified to be consistent with revisions to Section 7.0 regarding the appointment of interpretation drafting teams. Revisions are also made to specify that the NERC Director of Standards may delegate authority to perform certain responsibilities under the SPM.

As first proposed in 2017, updates are made to Section 3.7 - Governmental Authorities, to allow for the inclusion of federal and provincial governments of non-U.S. North American jurisdictions that may approve Reliability Standards in the future.

## **Section 4.0: Process for Developing, Modifying, Withdrawing or Retiring a Reliability Standard**

NERC proposes to reorganize language regarding posting periods and responding to comments to improve readability and organization (proposed Sections 4.12 – 4.14). In response to comments received on the changes proposed to Section 11.0, Section 4.4.2 is amended to state explicitly that drafting teams may develop and post technical documents to support draft Reliability Standards or related elements.

## **Section 6.0: Processes for Conducting Field Tests and Collecting and Analyzing Data (proposed new title: Process for Conducting Field Tests)**

In response to comments, revisions were made to clarify roles, responsibilities, and process steps, including processes for approving field test requests. Other changes were made to improve the organization and readability of the section. For example, a new section was created, Section 6.1.2, to address compliance waivers specifically.

## **Section 7.0: Process for Developing an Interpretation**

As first proposed in 2017, revisions are proposed to improve the organization of the section. Additional revisions are proposed to clarify language regarding what constitutes a valid Interpretation, including clarifying that requests for approval of specific compliance approaches are not proper Interpretation requests and should instead be pursued through the applicable NERC and Regional Entity guidance processes (Section 7.2.1). In response to comments, the SPM revisions team has determined to not pursue the previously-proposed changes for posting and balloting Interpretations.

## **Section 8.0: Process for Appealing an Action or Inaction**

As first proposed in 2017, revisions are proposed to Sections 8.1 and 8.2 to specify that an appellant may withdraw its Level 1 or Level 2 appeal by providing written notice to the NERC Director of Standards.

### **Section 9.0: Process for Developing a Variance**

Revisions are proposed to clarify that Variances that are proposed to apply to the Quebec Interconnection may be developed through the Northeast Power Coordinating Council Regional Reliability Standards development procedure.

### **Section 10.0: Processes for Developing a Reliability Standard Related to a Confidential Issue**

In response to comments, explanatory text is added between the header and flowchart appearing under Section 10.7.

### **Section 11.0: Process for Approving Supporting Documents (proposed new title: Process for Posting Supporting Technical Documents Alongside an Approved Reliability Standard)**

Revisions are proposed to clarify that the scope of Section 11.0 is to define a process for approving the posting of supporting technical documents to approved Reliability Standards (i.e., Reliability Standards approved by applicable governmental authorities). In response to comments, revisions have been made to improve the clarity and readability of this section, particularly with respect to which documents and the circumstances under which this section applies.

### **Section 13.0: Process for Conducting Periodic Reviews of Reliability Standards**

Revisions are proposed to clarify the terminology used to refer to periodic reviews.

### **Section 16.0: Waiver**

Updates are made to reflect the dissolution of the Standards Oversight and Technology Committee.



# Standards Announcement

## Standard Processes Manual

### Appendix 3A to the NERC Rules of Procedure

Formal Comment Period Open through August 9, 2018

#### [Now Available](#)

A 45-day formal comment period is open through **8 p.m. Eastern, Thursday, August 9, 2018** for revisions to the NERC Standard Processes Manual (SPM), Appendix 3A to the NERC Rules of Procedure.

#### Commenting

Use the [Standards Balloting and Commenting System \(SBS\)](#) to submit comments. If you experience issues navigating the SBS, contact [Nasheema Santos](#). An unofficial Word version of the comment form is posted on the [project page](#).

*If you are having difficulty accessing the SBS due to a forgotten password, incorrect credential error messages, or system lock-out, contact NERC IT support directly at <https://support.nerc.net/> (Monday – Friday, 8 a.m. - 5 p.m. Eastern).*

- *Passwords expire every **6 months** and must be reset.*
- *The SBS **is not** supported for use on mobile devices.*
- *Please be mindful of ballot and comment period closing dates. We ask to **allow at least 48 hours** for NERC support staff to assist with inquiries. Therefore, it is recommended that users try logging into their SBS accounts **prior to the last day** of a comment/ballot period.*

#### Next Steps

An additional ballot on the revisions to the SPM will be conducted July 31 – August 9, 2018.

For more information on the Standards Development Process, refer to the [Standard Processes Manual](#).

For more information or assistance, contact Manager of Standards Information, [Chris Larson](#) (via email), or (404) 446-9708.

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3353 Peachtree Rd, NE  
Suite 600, North Tower  
Atlanta, GA 30326  
404-446-2560 | [www.nerc.com](http://www.nerc.com)



## BALLOT RESULTS

Comment: [View Comment Results \(/CommentResults/Index/142\)](#)

**Ballot Name:** NERC Standard Processes Manual Sections 2.1, 3.7, 6, 7, 8 & 11 AB 2 OT

**Voting Start Date:** 7/31/2018 12:01:00 AM

**Voting End Date:** 8/10/2018 8:00:00 PM

**Ballot Type:** OT

**Ballot Activity:** AB

**Ballot Series:** 2

**Total # Votes:** 143

**Total Ballot Pool:** 178

**Quorum:** 80.34

**Weighted Segment Value:** 81.95

Segment	Ballot Pool	Segment Weight	Affirmative Votes	Affirmative Fraction	Negative Votes w/ Comment	Negative Fraction w/ Comment	Negative Votes w/o Comment	Abstain	No Vote
Segment: 1	46	1	32	0.914	3	0.086	0	2	9
Segment: 2	4	0.3	2	0.2	1	0.1	0	0	1
Segment: 3	38	1	24	0.828	5	0.172	0	4	5
Segment: 4	13	0.7	4	0.4	3	0.3	0	2	4
Segment: 5	38	1	24	0.889	3	0.111	0	4	7
Segment: 6	30	1	13	0.722	5	0.278	0	4	8
Segment: 7	0	0	0	0	0	0	0	0	0
Segment: 8	2	0.1	1	0.1	0	0	0	0	1
Segment: 9	0	0	0	0	0	0	0	0	0
Segment: 7	7	0.7	7	0.7	0	0	0	0	0

Segment	Ballot Pool	Segment Weight	Affirmative Votes	Affirmative Fraction	Negative Votes w/ Comment	Negative Fraction w/ Comment	Negative Votes w/o Comment	Abstain	No Vote
Totals:	178	5.8	107	4.753	20	1.047	0	16	35

### BALLOT POOL MEMBERS

Show   entries

Search:

Segment	Organization	Voter	Designated Proxy	Ballot	NERC Memo
1	AEP - AEP Service Corporation	Dennis Sauriol		Negative	Comments Submitted
1	Ameren - Ameren Services	Eric Scott		Affirmative	N/A
1	American Transmission Company, LLC	Douglas Johnson		Affirmative	N/A
1	APS - Arizona Public Service Co.	Michelle Amarantos		Affirmative	N/A
1	Associated Electric Cooperative, Inc.	Ryan Ziegler		Affirmative	N/A
1	Austin Energy	Thomas Standifur		None	N/A
1	Balancing Authority of Northern California	Kevin Smith	Joe Tarantino	None	N/A
1	Berkshire Hathaway Energy - MidAmerican Energy Co.	Terry Harbour		Affirmative	N/A
1	Black Hills Corporation	Wes Wingen		Affirmative	N/A
1	Bonneville Power Administration	Kammy Rogers-Holliday		Affirmative	N/A
1	City Utilities of Springfield, Missouri	Michael Buyce		Affirmative	N/A
1	Cleco Corporation	John Lindsey	Louis Guidry	Affirmative	N/A

Segment	Organization	Voter	Designated Proxy	Ballot	NERC Memo
1	Con Ed - Consolidated Edison Co. of New York	Dermot Smyth		Affirmative	N/A
1	Duke Energy	Laura Lee		Affirmative	N/A
1	Edison International - Southern California Edison Company	Steven Mavis		Affirmative	N/A
1	Entergy - Entergy Services, Inc.	Oliver Burke		Affirmative	N/A
1	Eversource Energy	Quintin Lee		Affirmative	N/A
1	Exelon	Chris Scanlon		Affirmative	N/A
1	FirstEnergy - FirstEnergy Corporation	Julie Severino		None	N/A
1	Great Plains Energy - Kansas City Power and Light Co.	James McBee	Douglas Webb	Affirmative	N/A
1	Hydro One Networks, Inc.	Payam Farahbakhsh		None	N/A
1	Hydro-Quebec TransEnergie	Nicolas Turcotte		Affirmative	N/A
1	Imperial Irrigation District	Jesus Sammy Alcaraz		None	N/A
1	International Transmission Company Holdings Corporation	Michael Moltane	Allie Gavin	None	N/A
1	Lakeland Electric	Larry Watt		None	N/A
1	Long Island Power Authority	Robert Ganley		Affirmative	N/A
1	Los Angeles Department of Water and Power	faranak sarbaz		Affirmative	N/A
1	LS Power Transmission, LLC	John Seelke		Negative	Comments Submitted
1	Manitoba Hydro	Mike Smith		Abstain	N/A
1	National Grid USA	Michael Jones		Affirmative	N/A
1	Nebraska Public Power District	Jamison Cawley		Affirmative	N/A

Segment	Organization	Voter	Designated Proxy	Ballot	NERC Memo
1	New York Power Authority	Salvatore Spagnolo		Affirmative	N/A
1	OGE Energy - Oklahoma Gas and Electric Co.	Terri Pyle		None	N/A
1	Peak Reliability	Scott Downey		Affirmative	N/A
1	Portland General Electric Co.	Nathaniel Clague		Negative	Comments Submitted
1	PPL Electric Utilities Corporation	Brenda Truhe		Affirmative	N/A
1	PSEG - Public Service Electric and Gas Co.	Joseph Smith		Affirmative	N/A
1	Sacramento Municipal Utility District	Arthur Starkovich	Joe Tarantino	None	N/A
1	Santee Cooper	Chris Wagner		Abstain	N/A
1	Southern Company - Southern Company Services, Inc.	Katherine Prewitt		Affirmative	N/A
1	Sunflower Electric Power Corporation	Paul Mehlhaff		Affirmative	N/A
1	Tacoma Public Utilities (Tacoma, WA)	John Merrell		Affirmative	N/A
1	Tennessee Valley Authority	Howell Scott		Affirmative	N/A
1	Tri-State G and T Association, Inc.	Tracy Sliman		Affirmative	N/A
1	U.S. Bureau of Reclamation	Richard Jackson		Affirmative	N/A
1	Western Area Power Administration	sean erickson		Affirmative	N/A
2	Electric Reliability Council of Texas, Inc.	Brandon Gleason		Negative	Third-Party Comments
2	New York Independent System Operator	Gregory Campoli		None	N/A
2	PJM Interconnection, L.L.C.	Mark Holman		Affirmative	N/A

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Segment	Organization	Voter	Designated Proxy	Ballot	NERC Memo
2	Southwest Power Pool, Inc. (RTO)	Charles Yeung		Affirmative	N/A
3	AEP	Aaron Austin		Negative	Comments Submitted
3	Ameren - Ameren Services	David Jendras		Affirmative	N/A
3	APS - Arizona Public Service Co.	Vivian Vo		Affirmative	N/A
3	Associated Electric Cooperative, Inc.	Todd Bennett		Affirmative	N/A
3	Austin Energy	W. Dwayne Preston		Affirmative	N/A
3	Bonneville Power Administration	Rebecca Berdahl		Affirmative	N/A
3	Cleco Corporation	Michelle Corley	Louis Guidry	Affirmative	N/A
3	Con Ed - Consolidated Edison Co. of New York	Peter Yost		Affirmative	N/A
3	Dominion - Dominion Resources, Inc.	Connie Lowe		Abstain	N/A
3	DTE Energy - Detroit Edison Company	Karie Barczak		Affirmative	N/A
3	Duke Energy	Lee Schuster		Affirmative	N/A
3	Edison International - Southern California Edison Company	Romel Aquino		Affirmative	N/A
3	Eversource Energy	Sharon Flannery		Affirmative	N/A
3	Exelon	John Bee		Affirmative	N/A
3	FirstEnergy - FirstEnergy Corporation	Aaron Ghodooshim		None	N/A
3	Florida Municipal Power Agency	Joe McKinney		Negative	Third-Party Comments
3	Gainesville Regional Utilities	Ken Simmons	Brandon McCormick	Negative	Comments Submitted
3	Georgia System Operations Corporation	Scott McGough		Affirmative	N/A

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Segment	Organization	Voter	Designated Proxy	Ballot	NERC Memo
3	Great Plains Energy - Kansas City Power and Light Co.	John Carlson	Douglas Webb	Affirmative	N/A
3	Hydro One Networks, Inc.	Paul Malozewski		None	N/A
3	Manitoba Hydro	Karim Abdel-Hadi		Abstain	N/A
3	National Grid USA	Brian Shanahan		Affirmative	N/A
3	Nebraska Public Power District	Tony Eddleman		Affirmative	N/A
3	Ocala Utility Services	Neville Bowen	Brandon McCormick	Negative	Comments Submitted
3	OGE Energy - Oklahoma Gas and Electric Co.	Donald Hargrove		Abstain	N/A
3	Owensboro Municipal Utilities	Thomas Lyons		Affirmative	N/A
3	Platte River Power Authority	Jeff Landis		Affirmative	N/A
3	Portland General Electric Co.	Angela Gaines		Negative	Comments Submitted
3	PPL - Louisville Gas and Electric Co.	Charles Freibert		Affirmative	N/A
3	PSEG - Public Service Electric and Gas Co.	James Meyer		Affirmative	N/A
3	Puget Sound Energy, Inc.	Tim Womack		None	N/A
3	Sacramento Municipal Utility District	Nicole Looney	Joe Tarantino	None	N/A
3	Santee Cooper	James Poston		Abstain	N/A
3	Southern Company - Alabama Power Company	Joel Dembowski		Affirmative	N/A
3	Tacoma Public Utilities (Tacoma, WA)	Marc Donaldson		Affirmative	N/A
3	Tallahassee Electric (City of Tallahassee, FL)	John Williams		None	N/A
3	Tennessee Valley Authority	Ian Grant		Affirmative	N/A

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Segment	Organization	Voter	Designated Proxy	Ballot	NERC Memo
3	WEC Energy Group, Inc.	Thomas Breene		Affirmative	N/A
4	Alliant Energy Corporation Services, Inc.	Larry Heckert		Affirmative	N/A
4	Austin Energy	Esther Weekes		None	N/A
4	City of Clewiston	Lynne Mila		None	N/A
4	FirstEnergy - FirstEnergy Corporation	Aubrey Short		None	N/A
4	Florida Municipal Power Agency	Carol Chinn		Negative	Comments Submitted
4	Georgia System Operations Corporation	Andrea Barclay		Affirmative	N/A
4	Illinois Municipal Electric Agency	Mary Ann Todd		Abstain	N/A
4	Keys Energy Services	Jeffrey Partington	Brandon McCormick	Negative	Comments Submitted
4	MGE Energy - Madison Gas and Electric Co.	Joseph DePoorter		Affirmative	N/A
4	Sacramento Municipal Utility District	Beth Tincher	Joe Tarantino	None	N/A
4	Seminole Electric Cooperative, Inc.	Charles Wubbena		Negative	Comments Submitted
4	Tacoma Public Utilities (Tacoma, WA)	Hien Ho		Affirmative	N/A
4	Utility Services, Inc.	Brian Evans-Mongeon		Abstain	N/A
5	AEP	Thomas Foltz		Negative	Comments Submitted
5	Ameren - Ameren Missouri	Sam Dwyer		Affirmative	N/A
5	APS - Arizona Public Service Co.	Kelsi Rigby		Affirmative	N/A
5	Austin Energy	Shirley Mathew		None	N/A
5	Black Hills Corporation	George Tatar		Affirmative	N/A
5	Bonneville Power Administration	Scott Winner		Affirmative	N/A

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Segment	Organization	Voter	Designated Proxy	Ballot	NERC Memo
5	Brazos Electric Power Cooperative, Inc.	Shari Heino		Affirmative	N/A
5	Choctaw Generation Limited Partnership, LLLP	Rob Watson		Affirmative	N/A
5	Cleco Corporation	Stephanie Huffman	Louis Guidry	Affirmative	N/A
5	Con Ed - Consolidated Edison Co. of New York	William Winters	Alyson Slanover	Affirmative	N/A
5	Dominion - Dominion Resources, Inc.	Lou Oberski		Abstain	N/A
5	DTE Energy - Detroit Edison Company	Jeffrey DePriest		Affirmative	N/A
5	Duke Energy	Dale Goodwine		Affirmative	N/A
5	Edison International - Southern California Edison Company	Selene Willis		Affirmative	N/A
5	Exelon	Ruth Miller		Affirmative	N/A
5	FirstEnergy - FirstEnergy Solutions	Robert Loy		None	N/A
5	Florida Municipal Power Agency	Chris Gowder		Negative	Comments Submitted
5	Great Plains Energy - Kansas City Power and Light Co.	Harold Wyble	Douglas Webb	Affirmative	N/A
5	Great River Energy	Preston Walsh		Affirmative	N/A
5	Lakeland Electric	Jim Howard		None	N/A
5	Los Angeles Department of Water and Power	Donald Sievertson		Affirmative	N/A
5	Lower Colorado River Authority	Teresa Cantwell		Affirmative	N/A
5	Manitoba Hydro	Yuguang Xiao		Abstain	N/A
5	Massachusetts Municipal Wholesale Electric Company	David Gordon		Abstain	N/A

Segment	Organization	Voter	Designated Proxy	Ballot	NERC Memo
5	Nebraska Public Power District	Don Schmit		Affirmative	N/A
5	NiSource - Northern Indiana Public Service Co.	Kathryn Tackett		Affirmative	N/A
5	OGE Energy - Oklahoma Gas and Electric Co.	John Rhea		None	N/A
5	Ontario Power Generation Inc.	David Ramkalawan		Affirmative	N/A
5	Platte River Power Authority	Tyson Archie		None	N/A
5	Portland General Electric Co.	Ryan Olson		Negative	Comments Submitted
5	PPL - Louisville Gas and Electric Co.	JULIE HOSTRANDER		Affirmative	N/A
5	Puget Sound Energy, Inc.	Eleanor Ewry		None	N/A
5	Sacramento Municipal Utility District	Susan Oto	Joe Tarantino	None	N/A
5	Santee Cooper	Tommy Curtis		Abstain	N/A
5	Southern Company - Southern Company Generation	William D. Shultz		Affirmative	N/A
5	U.S. Bureau of Reclamation	Wendy Center		Affirmative	N/A
5	WEC Energy Group, Inc.	Linda Horn		Affirmative	N/A
5	Xcel Energy, Inc.	Gerry Huitt	Amy Casuscelli	Affirmative	N/A
6	AEP - AEP Marketing	Yee Chou		Negative	Comments Submitted
6	APS - Arizona Public Service Co.	Nicholas Kirby		Affirmative	N/A
6	Austin Energy	Andrew Gallo		Affirmative	N/A
6	Berkshire Hathaway - PacifiCorp	Sandra Shaffer		None	N/A
6	Black Hills Corporation	Eric Scherr		None	N/A

Segment	Organization	Voter	Designated Proxy	Ballot	NERC Memo
6	Bonneville Power Administration	Andrew Meyers		Affirmative	N/A
6	Cleco Corporation	Robert Hirschak	Louis Guidry	Affirmative	N/A
6	Con Ed - Consolidated Edison Co. of New York	Christopher Overberg		Affirmative	N/A
6	Dominion - Dominion Resources, Inc.	Sean Bodkin		Abstain	N/A
6	Duke Energy	Greg Cecil		None	N/A
6	Edison International - Southern California Edison Company	Kenya Streeter		None	N/A
6	Entergy	Julie Hall		Affirmative	N/A
6	Exelon	Becky Webb		Affirmative	N/A
6	FirstEnergy - FirstEnergy Solutions	Ann Ivanc		None	N/A
6	Florida Municipal Power Agency	Richard Montgomery		Negative	Comments Submitted
6	Florida Municipal Power Pool	Tom Reedy	Brandon McCormick	Negative	Comments Submitted
6	Great Plains Energy - Kansas City Power and Light Co.	Jennifer Flandermeyer	Douglas Webb	Affirmative	N/A
6	Los Angeles Department of Water and Power	Anton Vu		Affirmative	N/A
6	Manitoba Hydro	Blair Mukanik		Abstain	N/A
6	OGE Energy - Oklahoma Gas and Electric Co.	Sing Tay		Abstain	N/A
6	Portland General Electric Co.	Daniel Mason		Negative	Comments Submitted
6	PPL - Louisville Gas and Electric Co.	Linn Oelker		Affirmative	N/A
6	PSEG - PSEG Energy Resources and Trade LLC	Karla Barton		Affirmative	N/A

Segment	Organization	Voter	Designated Proxy	Ballot	NERC Memo
6	Public Utility District No. 2 of Grant County, Washington	LeRoy Patterson		None	N/A
6	Sacramento Municipal Utility District	Jamie Cutlip	Joe Tarantino	None	N/A
6	Santee Cooper	Michael Brown		Abstain	N/A
6	Seminole Electric Cooperative, Inc.	Trudy Novak		Negative	Comments Submitted
6	Southern Company - Southern Company Generation and Energy Marketing	Jennifer Sykes		Affirmative	N/A
6	Tennessee Valley Authority	Marjorie Parsons		Affirmative	N/A
6	WEC Energy Group, Inc.	David Hathaway		None	N/A
8	David Kiguel	David Kiguel		Affirmative	N/A
8	Massachusetts Attorney General	Frederick Plett		None	N/A
10	Florida Reliability Coordinating Council	Peter Heidrich		Affirmative	N/A
10	Midwest Reliability Organization	Russel Mountjoy		Affirmative	N/A
10	New York State Reliability Council	ALAN ADAMSON		Affirmative	N/A
10	ReliabilityFirst	Anthony Jablonski		Affirmative	N/A
10	SERC Reliability Corporation	Drew Slabaugh		Affirmative	N/A
10	Texas Reliability Entity, Inc.	Rachel Coyne		Affirmative	N/A
10	Western Electricity Coordinating Council	Steven Rueckert		Affirmative	N/A

Previous  Next

Showing 1 to 178 of 178 entries



# Standards Announcement

## Standard Processes Manual

### Appendix 3A to the NERC Rules of Procedure

Formal Comment Period Open through August 9, 2018

#### [Now Available](#)

A 45-day formal comment period is open through **8 p.m. Eastern, Thursday, August 9, 2018** for revisions to the NERC Standard Processes Manual (SPM), Appendix 3A to the NERC Rules of Procedure.

#### Commenting

Use the [Standards Balloting and Commenting System \(SBS\)](#) to submit comments. If you experience issues navigating the SBS, contact [Nasheema Santos](#). An unofficial Word version of the comment form is posted on the [project page](#).

*If you are having difficulty accessing the SBS due to a forgotten password, incorrect credential error messages, or system lock-out, contact NERC IT support directly at <https://support.nerc.net/> (Monday – Friday, 8 a.m. - 5 p.m. Eastern).*

- *Passwords expire every **6 months** and must be reset.*
- *The SBS **is not** supported for use on mobile devices.*
- *Please be mindful of ballot and comment period closing dates. We ask to **allow at least 48 hours** for NERC support staff to assist with inquiries. Therefore, it is recommended that users try logging into their SBS accounts **prior to the last day** of a comment/ballot period.*

#### Next Steps

An additional ballot on the revisions to the SPM will be conducted July 31 – August 9, 2018.

For more information on the Standards Development Process, refer to the [Standard Processes Manual](#).

For more information or assistance, contact Manager of Standards Information, [Chris Larson](#) (via email), or (404) 446-9708.

North American Electric Reliability Corporation  
3353 Peachtree Rd, NE  
Suite 600, North Tower  
Atlanta, GA 30326  
404-446-2560 | [www.nerc.com](http://www.nerc.com)





## Comment Report

**Project Name:** Revisions to the NERC Standard Processes Manual  
**Comment Period Start Date:** 6/25/2018  
**Comment Period End Date:** 8/9/2018  
**Associated Ballots:** NERC Standard Processes Manual Sections 2.1, 3.7, 6, 7, 8 & 11 AB 2 OT

There were 30 sets of responses, including comments from approximately 83 different people from approximately 64 companies representing 10 of the Industry Segments as shown in the table on the following pages.

## Questions

1. Do you agree with the revisions to Section 4.4.2 of the SPM to clarify that drafting teams may develop and post supporting technical documents to help explain or facilitate understanding of draft Reliability Standard(s) or associated element(s)?
2. Do you agree that the proposed reorganization of Sections 4.12-4.14 clarifies the existing process for posting and balloting Reliability Standards and responding to comments?
3. Do you have any other comments concerning Section 4.0 of the SPM?
4. Do you agree that the revisions to Section 6.0 of the SPM clarify roles and responsibilities with respect to the conduct of field tests?
5. Do you have any other comments concerning Section 6.0 of the SPM?
6. Do you agree with the revisions to Section 7.0 of the SPM regarding the approval and rejection of interpretation requests?
7. Do you agree that Interpretations should continue to be posted for comment and ballot in the same manner as Reliability Standards?
8. Do you have any other comments concerning Section 7.0 of the SPM?
9. Do you agree that the revisions to Section 9.0 of the SPM clarify that variances for the Quebec Interconnection may be developed through the NPCC regional standard development process?
10. Do you agree that the revisions to Section 11.0 of the SPM clarify the scope and applicability of this section?
11. Do you agree that no separate Standards Committee authorization should be required to post a supporting technical document developed by the standard drafting team alongside the approved Reliability Standard on the NERC website?
12. Do you have any other comments concerning Section 11.0 of the SPM?
13. Do you have any comments regarding the updates and clarifications proposed for the first time in this posting of the SPM, including the revisions in Sections 1.0, 2.0, 3.0, 10.0, 13.0, and 16.0?
14. Do you have any other comments regarding revisions to any SPM section not specifically identified above?

Organization Name	Name	Segment(s)	Region	Group Name	Group Member Name	Group Member Organization	Group Member Segment(s)	Group Member Region
Brandon McCormick	Brandon McCormick		FRCC	FMPA	Tim Beyrle	City of New Smyrna Beach Utilities Commission	4	FRCC
					Jim Howard	Lakeland Electric	5	FRCC
					Lynne Mila	City of Clewiston	4	FRCC
					Javier Cisneros	Fort Pierce Utilities Authority	3	FRCC
					Randy Hahn	Ocala Utility Services	3	FRCC
					Don Cuevas	Beaches Energy Services	1	FRCC
					Jeffrey Partington	Keys Energy Services	4	FRCC
					Tom Reedy	Florida Municipal Power Pool	6	FRCC
					Steven Lancaster	Beaches Energy Services	3	FRCC
					Mike Blough	Kissimmee Utility Authority	5	FRCC
					Chris Adkins	City of Leesburg	3	FRCC
					Ginny Beigel	City of Vero Beach	3	FRCC
DTE Energy - Detroit Edison Company	Karie Barczak	3		DTE Energy - DTE Electric	Jeffrey Depriest	DTE Energy - DTE Electric	5	RF
					Daniel Herring	DTE Energy - DTE Electric	4	RF
					Karie Barczak	DTE Energy - DTE Electric	3	RF
Southern Company - Southern	Katherine Prewitt	1		Southern Company	Scott Moore	Alabama Power Company	3	SERC

Company Services, Inc.					Bill Shultz	Southern Company Generation	5	SERC
					Jennifer Sykes	Southern Company Generation and Energy Marketing	6	SERC
Southwest Power Pool, Inc. (RTO)	Matthew Harward	2	MRO,SERC	SPP Standards Review Group	Matthew Harward	Southwest Power Pool, Inc.	2	MRO
					Shannon Mickens	Southwest Power Pool, Inc.	2	MRO
Northeast Power Coordinating Council	Ruida Shu	1,2,3,4,5,6,7,8,9,10	NPCC	RSC no Dominion	Guy V. Zito	Northeast Power Coordinating Council	10	NPCC
					Randy MacDonald	New Brunswick Power	2	NPCC
					Wayne Sipperly	New York Power Authority	4	NPCC
					Glen Smith	Entergy Services	4	NPCC
					Brian Robinson	Utility Services	5	NPCC
					Alan Adamson	New York State Reliability Council	7	NPCC
					Edward Bedder	Orange & Rockland Utilities	1	NPCC
					David Burke	Orange & Rockland Utilities	3	NPCC
					Michele Tondalo	UI	1	NPCC
					Laura Mcleod	NB Power	1	NPCC
					David Ramkalawan	Ontario Power Generation Inc.	5	NPCC
					Helen Lainis	IESO	2	NPCC
Michael Schiavone	National Grid	1	NPCC					

					Michael Jones	National Grid	3	NPCC
					Michael Forte	Con Ed - Consolidated Edison	1	NPCC
					Peter Yost	Con Ed - Consolidated Edison Co. of New York	3	NPCC
					Sean Cavote	PSEG	4	NPCC
					Kathleen Goodman	ISO-NE	2	NPCC
					Quintin Lee	Eversource Energy	1	NPCC
					Dermot Smyth	Con Ed - Consolidated Edison Co. of New York	1,5	NPCC
					Dermot Smyth	Con Ed - Consolidated Edison Co. of New York	1,5	NPCC
					Salvatore Spagnolo	New York Power Authority	1	NPCC
					Shivaz Chopra	New York Power Authority	6	NPCC
					David Kiguel	Independent	NA - Not Applicable	NPCC
					Silvia Mitchell	NextEra Energy - Florida Power and Light Co.	6	NPCC
					Caroline Dupuis	Hydro Quebec	1	NPCC
					Chantal Mazza	Hydro Quebec	2	NPCC
					Gregory Campoli	New York Independent System Operator	2	NPCC
					Paul Malozewski	Hydro One Networks, Inc.	3	NPCC
Dominion - Dominion Resources, Inc.	Sean Bodkin	6		Dominion	Connie Lowe	Dominion - Dominion Resources, Inc.	3	NA - Not Applicable

					Lou Oberski	Dominion - Dominion Resources, Inc.	5	NA - Not Applicable
					Larry Nash	Dominion - Dominion Virginia Power	1	NA - Not Applicable
PPL - Louisville Gas and Electric Co.	Shelby Wade	3,5,6	RF,SERC	Louisville Gas and Electric Company and Kentucky Utilities Company	Charles Freibert	PPL - Louisville Gas and Electric Co.	3	SERC
					Dan Wilson	PPL - Louisville Gas and Electric Co.	5	SERC
					Linn Oelker	PPL - Louisville Gas and Electric Co.	6	SERC

**1. Do you agree with the revisions to Section 4.4.2 of the SPM to clarify that drafting teams may develop and post supporting technical documents to help explain or facilitate understanding of draft Reliability Standard(s) or associated element(s)?**

**Katherine Prewitt - Southern Company - Southern Company Services, Inc. - 1, Group Name Southern Company**

**Answer** No

**Document Name**

**Comment**

The revisions to Section 4.4.2 clarify what drafting teams may develop and post. However, the draft text introduces confusion regarding the term “technical rationale.” Consider the draft text within the context of the proposed description of a “Reference” document, as provided in Section 11.1: Types of Supporting Technical Documents, “Descriptive, technical information or analysis or explanatory information to support the understanding of an approved Reliability Standard.

Southern notes that “technical rationale” is distinct and not the same as “technical information.” The draft text is confusing with respect to whether the SPM revision team is attempting to (1) allow “technical rationale” to stand alone as a separate type of document or (2) imply the inclusion of “technical rationale” in the aforementioned description of a “Reference” document. If the intent is to allow “technical rationale” to stand alone, the SPM revision team should consider the following suggested text, “These supporting technical documents may include, among other things: (1) reference documents designed to provide the drafting team’s technical rationale, technical information, analysis, or explanatory information to support the understanding of the draft Reliability Standard or related element...” This suggested language does not conflate “technical rationale” with “technical information” as provided in Section 11.1.

Likes 0

Dislikes 0

**Response**

**Daniel Mason - Portland General Electric Co. - 6**

**Answer** No

**Document Name**

**Comment**

Section 4.4.2 is unclear about what the process is for commenting on or challenging such postings. The ability to challenge posted supporting technical documents is critical since per Section 11.0 establishes that supporting technical documents posted by the Standards Drafting Teams may be posted along side approved Standards without further approvals. As such they become a defacto part of the Standard development record used going forward to interpret the Standard.

Likes 0

Dislikes 0

**Response**

**Thomas Foltz - AEP - 5****Answer** Yes**Document Name****Comment**

<span style="color: rgb(0, 51, 204); font-size: 10pt;" mso-fareast-theme-font: major-fareast="" roman";="" new="" mso-fareast-font-family: "times="" mso-bidi-font-size: 12.0pt;="" times="">When posting supporting technical documents is believed to be necessary, care should be taken to afford industry sufficient opportunity to review and develop meaningful input. Such documentation is often highly technical and voluminous, and the turnaround time provided for informal comment periods may not be sufficient, especially when accompanying drafts of new or revised standards.

Likes 1 Utility Services, Inc., 4, Evans-Mongeon Brian

Dislikes 0

**Response****Chris Scanlon - Exelon - 1****Answer** Yes**Document Name****Comment**

Exelon encourages NERC / TRAG to develop guidance and a template that will facilitate a consistent format for Technical Rational.

Likes 1 Utility Services, Inc., 4, Evans-Mongeon Brian

Dislikes 0

**Response****Maryanne Darling-Reich - Black Hills Corporation - 1,3,5,6 - WECC****Answer** Yes**Document Name****Comment**

The supporting documents providing rationale and or clarification independent of the standard itself is acceptable. The concern BHP has, is the ready accessibility of the supporting documents.

Likes 1 Utility Services, Inc., 4, Evans-Mongeon Brian

Dislikes 0

**Response**



**Donald Sievertson - Los Angeles Department of Water and Power - 5**

**Answer** Yes

**Document Name**

**Comment**

It is very helpfull to clairfy the standard when needed

Likes 0

Dislikes 0

**Response**

**Marty Hostler - Northern California Power Agency - 5,6**

**Answer** Yes

**Document Name**

**Comment**

If said supporting technical documents are developed by the drafting team and included with the standard than NERC should require Regional Entities to consider said guidance during audit. Thus, Regional Entities should not just be auditing to the letter of the standard if the drafting team developed other guidance.

Likes 0

Dislikes 0

**Response**

**Dennis Sismaet - Northern California Power Agency - 5,6**

**Answer** Yes

**Document Name**

**Comment**

If said supporting technical documents are developed by the drafting team and included with the standard then NERC should require Regional Entities to consider said guidance during audit. Thus, Regional Entities should not just be auditing to the letter of the standard if the drafting team developed other guidance.

Likes 0

Dislikes 0

**Response**

**John Seelke - LS Power Transmission, LLC - 1**

Answer Yes

Document Name

Comment

Likes 0

Dislikes 0

Response

**Steve Floyd - Granite Shore Power - 5 - NPCC**

Answer Yes

Document Name

Comment

Likes 0

Dislikes 0

Response

**Rachel Coyne - Texas Reliability Entity, Inc. - 10**

Answer Yes

Document Name

Comment

Likes 0

Dislikes 0

Response

**Richard Jackson - U.S. Bureau of Reclamation - 1**

Answer Yes

Document Name

Comment

Likes 0

Dislikes 0

**Response**

**Karie Barczak - DTE Energy - Detroit Edison Company - 3, Group Name DTE Energy - DTE Electric**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Glen Farmer - Avista - Avista Corporation - 1,3,5**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Leonard Kula - Independent Electricity System Operator - 2**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Kelsi Rigby - APS - Arizona Public Service Co. - 5**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Shelby Wade - PPL - Louisville Gas and Electric Co. - 3,5,6 - SERC, Group Name** Louisville Gas and Electric Company and Kentucky Utilities Company

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Sean Bodkin - Dominion - Dominion Resources, Inc. - 6, Group Name** Dominion

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Dennis Chastain - Tennessee Valley Authority - 1,3,5,6 - SERC**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Charles Yeung - Southwest Power Pool, Inc. (RTO) - 2**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Douglas Webb - Douglas Webb On Behalf of: Harold Wyble, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; James McBee, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; Jennifer Flandermeyer, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; John Carlson, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; - Douglas Webb**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Ruida Shu - Northeast Power Coordinating Council - 1,2,3,4,5,6,7,8,9,10 - NPCC, Group Name RSC no Dominion**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**David Ramkalawan - Ontario Power Generation Inc. - 5**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Scott McGough - Georgia System Operations Corporation - 3**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Hien Ho - Tacoma Public Utilities (Tacoma, WA) - 4**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Brandon McCormick - Brandon McCormick On Behalf of: Jeffrey Partington, Keys Energy Services, 4; Ken Simmons, Gainesville Regional Utilities, 3, 1, 5; Neville Bowen, Ocala Utility Services, 3; Tom Reedy, Florida Municipal Power Pool, 6; - Brandon McCormick, Group Name FMPA**

**Answer** Yes

<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Matthew Harward - Southwest Power Pool, Inc. (RTO) - 2 - MRO,SERC, Group Name SPP Standards Review Group</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Richard Vine - California ISO - 2</b>	
<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
The California ISO supports the comments of the ISO/RTO Council Standards Review Committee (SRC)	
Likes 0	
Dislikes 0	
<b>Response</b>	

**2. Do you agree that the proposed reorganization of Sections 4.12-4.14 clarifies the existing process for posting and balloting Reliability Standards and responding to comments?**

**Matthew Harward - Southwest Power Pool, Inc. (RTO) - 2 - MRO,SERC, Group Name SPP Standards Review Group**

**Answer** No

**Document Name**

**Comment**

Section 4.12 is not sufficiently clear whether the test for conclusion of the process is intended to be triggered by all three factors, or if satisfaction of one or more is sufficient to terminate the drafting process. If the intent is for any one of the factors to trigger conclusion of the process, the SPP Standards Review Group ("SSRG") suggests the following edit or something similar in form:

"The Standards Committee has the authority to conclude this process for a particular Reliability Standards action if the Standards Committee determines that the drafting team cannot develop a Reliability Standard that meets at least one of the following factors: (i) the proposed Reliability Standard is within the scope of the associated SAR, (ii) the proposed Reliability Standard is sufficiently clear to be enforceable, or (iii) the proposed Reliability Standard achieves the requisite weighted Segment approval percentage."

Likes 0

Dislikes 0

**Response**

**Donald Sievertson - Los Angeles Department of Water and Power - 5**

**Answer** Yes

**Document Name**

**Comment**

The proposed changes helps with organization

Likes 0

Dislikes 0

**Response**

**Daniel Mason - Portland General Electric Co. - 6**

**Answer** Yes

**Document Name**

**Comment**



Likes 0

Dislikes 0

**Response**

**Katherine Prewitt - Southern Company - Southern Company Services, Inc. - 1, Group Name** Southern Company

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Brandon McCormick - Brandon McCormick On Behalf of: Jeffrey Partington, Keys Energy Services, 4; Ken Simmons, Gainesville Regional Utilities, 3, 1, 5; Neville Bowen, Ocala Utility Services, 3; Tom Reedy, Florida Municipal Power Pool, 6; - Brandon McCormick, Group Name** FMMPA

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Hien Ho - Tacoma Public Utilities (Tacoma, WA) - 4**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Scott McGough - Georgia System Operations Corporation - 3**

Answer Yes

Document Name

Comment

Likes 0

Dislikes 0

Response

**David Ramkalawan - Ontario Power Generation Inc. - 5**

Answer Yes

Document Name

Comment

Likes 0

Dislikes 0

Response

**Dennis Sismaet - Northern California Power Agency - 5,6**

Answer Yes

Document Name

Comment

Likes 0

Dislikes 0

Response

**Marty Hostler - Northern California Power Agency - 5,6**

Answer Yes

Document Name

Comment

Likes 0

Dislikes 0

**Response**

**Ruida Shu - Northeast Power Coordinating Council - 1,2,3,4,5,6,7,8,9,10 - NPCC, Group Name RSC no Dominion**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Douglas Webb - Douglas Webb On Behalf of: Harold Wyble, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; James McBee, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; Jennifer Flandermeyer, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; John Carlson, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; - Douglas Webb**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Charles Yeung - Southwest Power Pool, Inc. (RTO) - 2**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Dennis Chastain - Tennessee Valley Authority - 1,3,5,6 - SERC**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Sean Bodkin - Dominion - Dominion Resources, Inc. - 6, Group Name Dominion**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Shelby Wade - PPL - Louisville Gas and Electric Co. - 3,5,6 - SERC, Group Name Louisville Gas and Electric Company and Kentucky Utilities Company**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Kelsi Rigby - APS - Arizona Public Service Co. - 5**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response****Leonard Kula - Independent Electricity System Operator - 2****Answer**

Yes

**Document Name****Comment**

Likes 0

Dislikes 0

**Response****Glen Farmer - Avista - Avista Corporation - 1,3,5****Answer**

Yes

**Document Name****Comment**

Likes 0

Dislikes 0

**Response****Maryanne Darling-Reich - Black Hills Corporation - 1,3,5,6 - WECC****Answer**

Yes

**Document Name****Comment**

Likes 0

Dislikes 0

**Response**

**Karie Barczak - DTE Energy - Detroit Edison Company - 3, Group Name DTE Energy - DTE Electric**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Richard Jackson - U.S. Bureau of Reclamation - 1**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Steve Floyd - Granite Shore Power - 5 - NPCC**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Chris Scanlon - Exelon - 1**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**John Seelke - LS Power Transmission, LLC - 1**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Richard Vine - California ISO - 2**

**Answer**

**Document Name**

**Comment**

The California ISO supports the comments of the ISO/RTO Council Standards Review Committee (SRC)

Likes 0

Dislikes 0

**Response**

**3. Do you have any other comments concerning Section 4.0 of the SPM?**

**John Seelke - LS Power Transmission, LLC - 1**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Chris Scanlon - Exelon - 1**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Steve Floyd - Granite Shore Power - 5 - NPCC**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Rachel Coyne - Texas Reliability Entity, Inc. - 10**

**Answer** No

**Document Name**



**Comment**

Likes 0

Dislikes 0

**Response****Richard Jackson - U.S. Bureau of Reclamation - 1****Answer**

No

**Document Name****Comment**

Likes 0

Dislikes 0

**Response****Maryanne Darling-Reich - Black Hills Corporation - 1,3,5,6 - WECC****Answer**

No

**Document Name****Comment**

Likes 0

Dislikes 0

**Response****Glen Farmer - Avista - Avista Corporation - 1,3,5****Answer**

No

**Document Name****Comment**

Likes 0

Dislikes 0

**Response**

**Leonard Kula - Independent Electricity System Operator - 2**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Kelsi Rigby - APS - Arizona Public Service Co. - 5**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Shelby Wade - PPL - Louisville Gas and Electric Co. - 3,5,6 - SERC, Group Name Louisville Gas and Electric Company and Kentucky Utilities Company**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Sean Bodkin - Dominion - Dominion Resources, Inc. - 6, Group Name Dominion**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response****Dennis Chastain - Tennessee Valley Authority - 1,3,5,6 - SERC****Answer**

No

**Document Name****Comment**

Likes 0

Dislikes 0

**Response****Charles Yeung - Southwest Power Pool, Inc. (RTO) - 2****Answer**

No

**Document Name****Comment**

Likes 0

Dislikes 0

**Response****Donald Sievertson - Los Angeles Department of Water and Power - 5****Answer**

No

**Document Name****Comment**

Likes 0

Dislikes 0

**Response**

**Douglas Webb - Douglas Webb On Behalf of: Harold Wyble, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; James McBee, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; Jennifer Flandermeyer, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; John Carlson, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; - Douglas Webb**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Ruida Shu - Northeast Power Coordinating Council - 1,2,3,4,5,6,7,8,9,10 - NPCC, Group Name RSC no Dominion**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Marty Hostler - Northern California Power Agency - 5,6**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Dennis Sismaet - Northern California Power Agency - 5,6**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response****David Ramkalawan - Ontario Power Generation Inc. - 5****Answer**

No

**Document Name****Comment**

Likes 0

Dislikes 0

**Response****Scott McGough - Georgia System Operations Corporation - 3****Answer**

No

**Document Name****Comment**

Likes 0

Dislikes 0

**Response****Hien Ho - Tacoma Public Utilities (Tacoma, WA) - 4****Answer**

No

**Document Name****Comment**

Likes 0

Dislikes 0

**Response**

**Brandon McCormick - Brandon McCormick On Behalf of: Jeffrey Partington, Keys Energy Services, 4; Ken Simmons, Gainesville Regional Utilities, 3, 1, 5; Neville Bowen, Ocala Utility Services, 3; Tom Reedy, Florida Municipal Power Pool, 6; - Brandon McCormick, Group Name FMPA**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Matthew Harward - Southwest Power Pool, Inc. (RTO) - 2 - MRO,SERC, Group Name SPP Standards Review Group**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Katherine Prewitt - Southern Company - Southern Company Services, Inc. - 1, Group Name Southern Company**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Daniel Mason - Portland General Electric Co. - 6**

**Answer** No

**Document Name**

<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Karie Barczak - DTE Energy - Detroit Edison Company - 3, Group Name DTE Energy - DTE Electric</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Richard Vine - California ISO - 2</b>	
<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
The California ISO supports the comments of the ISO/RTO Council Standards Review Committee (SRC)	
Likes 0	
Dislikes 0	
<b>Response</b>	

**4. Do you agree that the revisions to Section 6.0 of the SPM clarify roles and responsibilities with respect to the conduct of field tests?**

**Daniel Mason - Portland General Electric Co. - 6**

**Answer** No

**Document Name**

**Comment**

Sections 6.1.2 and 6.1.4 addressing compliance waivers need to clarify that the appropriate Regional Entity will be included in any waiver notifications. This clarification is appropriate since by-in-large, the Regional Entity has the lead role in compliance monitoring and would need to know about Field Test-related compliance waivers.

Likes 0

Dislikes 0

**Response**

**Matthew Harward - Southwest Power Pool, Inc. (RTO) - 2 - MRO,SERC, Group Name SPP Standards Review Group**

**Answer** No

**Document Name**

**Comment**

A simple reference to either the SAR Drafting Team or a Standard Drafting Team could be very helpful to clarify roles and responsibilities with regards to conduct of field tests.

It is not clear whether the “drafting team” mentioned in Section 6, *et seq.*, refers to the SAR Drafting Team or the Reliability Standard Drafting Team and this has caused confusion during review of the proposed changes to the SPM. For example, the current draft of Section 6.0 contains two potentially conflicting terms. First, the section states that “[d]rafting teams are not required to...conduct a field test to validate a Reliability Standard.” However, the section then states later that a field test can be initiated by a SAR. If a Standards Drafting Team is not required to perform a field test, may a Standard Drafting Team ignore the direction of a SAR that initiates a field test? The SSRG recommends the following edit to clarify the process:

Strike, modify, and move the following sentence to the end of Section 6.0: “Unless a field test is initiated by a SAR, a Standard Drafting Team is not required to collect and analyze data or to conduct a field test to validate a Reliability Standard.”

This general comment could apply to all references to “drafting team” contained in the SPM.

Likes 0

Dislikes 0

**Response**

**Brandon McCormick - Brandon McCormick On Behalf of: Jeffrey Partington, Keys Energy Services, 4; Ken Simmons, Gainesville Regional Utilities, 3, 1, 5; Neville Bowen, Ocala Utility Services, 3; Tom Reedy, Florida Municipal Power Pool, 6; - Brandon McCormick, Group Name FMPA**



<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
<p>FMPA agrees with the following comments from LG&amp;E/KU:</p> <p>Louisville Gas and Electric Company and Kentucky Utilities Company (LG&amp;E/KU) strongly supports the proposed revisions to section 6.1.2 to require the NERC Compliance Monitoring and Enforcement Program Staff to notify the affected Registered Entities of all compliance waiver determinations. However, to eliminate any ambiguity and clearly articulate this requirement, we suggest modifying the last sentence to: "Staff shall notify the affected Registered Entities of all compliance waiver determinations <i>in writing at least thirty (30) days prior to the effective date of the determination.</i>"</p>	
Likes	0
Dislikes	0
<b>Response</b>	
<b>Charles Yeung - Southwest Power Pool, Inc. (RTO) - 2</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
<p>6.1.1 "Prior to the drafting team conducting a field test, the drafting team must shall: (i) first receive approval from the lead NERC technical committee. Second, the drafting team must; and (ii) then receive approval from the Standards Committee."</p> <p>This is the first mention the SC is involved with the Field Test. Does SC approval apply for both SAR and Standards field tests? The SC does not approve SARs, so does a SAR team need approval of SC to proceed with a field test if the SAR is not ready for SC review and acceptance? It may be better to outline the SAR field test approval process and Standards field test approval process if there needs to be differences.</p> <p>6.1.3 "During the field test, if NERC or the lead NERC technical committee overseeing the field test determines that the field test is creating a reliability risk to the Bulk Power System, NERC or the lead NERC technical committee shall:"</p> <p>"NERC" should be removed from this section. The field test is under the direction of a technical committee with the expertise to assess reliability risks if there are any. It is unclear how "NERC" or who in "NERC" beyond the technical committee would also be allowed to assess the reliability risk.</p> <p>Also, if an entity impacted by the field test finds that a field test is creating an imminent reliability threat, this manual may be interpreted as one cannot deviate from the test until such time the technical committee acts. There should be a reference/reminder here that the operator/registered entity involved in a field test must always exercise its authority to ensure grid reliability regardless of the terms of a field test.</p>	
Likes	0
Dislikes	0
<b>Response</b>	

**Sean Bodkin - Dominion - Dominion Resources, Inc. - 6, Group Name** Dominion

**Answer** No

**Document Name**

**Comment**

Section 6.1.3 appears to provide NERC staff the ability to unilaterally stop or modify a field test. This authority should continue to reside in the stakeholder committees.

Likes 0

Dislikes 0

**Response**

**Shelby Wade - PPL - Louisville Gas and Electric Co. - 3,5,6 - SERC, Group Name** Louisville Gas and Electric Company and Kentucky Utilities Company

**Answer** No

**Document Name**

**Comment**

Louisville Gas and Electric Company and Kentucky Utilities Company (LG&E/KU) strongly supports the proposed revisions to section 6.1.2 to require the NERC Compliance Monitoring and Enforcement Program Staff to notify the affected Registered Entities of all compliance waiver determinations. However, to eliminate any ambiguity and clearly articulate this requirement, we suggest modifying the last sentence to: "Staff shall notify the affected Registered Entities of all compliance waiver determinations *in writing at least thirty (30) days prior to the effective date of the determination.*"

Likes 0

Dislikes 0

**Response**

**Thomas Foltz - AEP - 5**

**Answer** No

**Document Name**

**Comment**

Despite the provision in some cases for compliance waivers, it is still unclear from this section if field tests are mandatory, or instead, optional. It does state that the lead NERC technical committee will "identify potential test participants", but no insight is given if those identified are obligated in any way.

The text "The drafting team shall perform the field test" should be replaced by "The drafting team shall oversee and administrate the field test" as the

drafting team members are not themselves performing the field tests.

Given the stated purpose and intent of field tests, it is not clear how (as stated in Section 6.1.4) a field test could or should ever "extend beyond the period of standard development." AEP disagrees with its inclusion and its allowance in Section 6.2 which includes "if the field test will continue beyond standard development."

Likes 0

Dislikes 0

### Response

**Dennis Sismaet - Northern California Power Agency - 5,6**

**Answer**

No

**Document Name**

**Comment**

Likes 0

Dislikes 0

### Response

**Marty Hostler - Northern California Power Agency - 5,6**

**Answer**

No

**Document Name**

**Comment**

Likes 0

Dislikes 0

### Response

**Donald Sievertson - Los Angeles Department of Water and Power - 5**

**Answer**

Yes

**Document Name**

**Comment**

It helps with organization

Likes 0

Dislikes 0

**Response**

**Katherine Prewitt - Southern Company - Southern Company Services, Inc. - 1, Group Name Southern Company**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Hien Ho - Tacoma Public Utilities (Tacoma, WA) - 4**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Scott McGough - Georgia System Operations Corporation - 3**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**David Ramkalawan - Ontario Power Generation Inc. - 5**

Answer	Yes
Document Name	
Comment	
Likes 0	
Dislikes 0	
Response	
<b>Ruida Shu - Northeast Power Coordinating Council - 1,2,3,4,5,6,7,8,9,10 - NPCC, Group Name RSC no Dominion</b>	
Answer	Yes
Document Name	
Comment	
Likes 0	
Dislikes 0	
Response	
<b>Douglas Webb - Douglas Webb On Behalf of: Harold Wyble, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; James McBee, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; Jennifer Flandermeyer, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; John Carlson, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; - Douglas Webb</b>	
Answer	Yes
Document Name	
Comment	
Likes 0	
Dislikes 0	
Response	
<b>Dennis Chastain - Tennessee Valley Authority - 1,3,5,6 - SERC</b>	
Answer	Yes
Document Name	
Comment	

Likes 0

Dislikes 0

**Response**

**Kelsi Rigby - APS - Arizona Public Service Co. - 5**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Leonard Kula - Independent Electricity System Operator - 2**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Glen Farmer - Avista - Avista Corporation - 1,3,5**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Maryanne Darling-Reich - Black Hills Corporation - 1,3,5,6 - WECC**

Answer	Yes
Document Name	
Comment	
Likes 0	
Dislikes 0	
Response	
Karie Barczak - DTE Energy - Detroit Edison Company - 3, Group Name DTE Energy - DTE Electric	
Answer	Yes
Document Name	
Comment	
Likes 0	
Dislikes 0	
Response	
Richard Jackson - U.S. Bureau of Reclamation - 1	
Answer	Yes
Document Name	
Comment	
Likes 0	
Dislikes 0	
Response	
Steve Floyd - Granite Shore Power - 5 - NPCC	
Answer	Yes
Document Name	
Comment	
Likes 0	

Dislikes 0

**Response**

**Chris Scanlon - Exelon - 1**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**John Seelke - LS Power Transmission, LLC - 1**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Richard Vine - California ISO - 2**

**Answer**

**Document Name**

**Comment**

The California ISO supports the comments of the ISO/RTO Council Standards Review Committee (SRC)

Likes 0

Dislikes 0

**Response**



**5. Do you have any other comments concerning Section 6.0 of the SPM?**

**John Seelke - LS Power Transmission, LLC - 1**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Steve Floyd - Granite Shore Power - 5 - NPCC**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Richard Jackson - U.S. Bureau of Reclamation - 1**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Karie Barczak - DTE Energy - Detroit Edison Company - 3, Group Name DTE Energy - DTE Electric**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response****Maryanne Darling-Reich - Black Hills Corporation - 1,3,5,6 - WECC****Answer**

No

**Document Name****Comment**

Likes 0

Dislikes 0

**Response****Glen Farmer - Avista - Avista Corporation - 1,3,5****Answer**

No

**Document Name****Comment**

Likes 0

Dislikes 0

**Response****Kelsi Rigby - APS - Arizona Public Service Co. - 5****Answer**

No

**Document Name****Comment**

Likes 0

Dislikes 0

**Response**

**Dennis Chastain - Tennessee Valley Authority - 1,3,5,6 - SERC**

Answer No

Document Name

Comment

Likes 0

Dislikes 0

Response

**Charles Yeung - Southwest Power Pool, Inc. (RTO) - 2**

Answer No

Document Name

Comment

Likes 0

Dislikes 0

Response

**Donald Sievertson - Los Angeles Department of Water and Power - 5**

Answer No

Document Name

Comment

Likes 0

Dislikes 0

Response

**Douglas Webb - Douglas Webb On Behalf of: Harold Wyble, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; James McBee, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; Jennifer Flandermeyer, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; John Carlson, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; - Douglas Webb**

Answer No

Document Name

**Comment**

Likes 0

Dislikes 0

**Response****Dennis Sismaet - Northern California Power Agency - 5,6****Answer**

No

**Document Name****Comment**

Likes 0

Dislikes 0

**Response****David Ramkalawan - Ontario Power Generation Inc. - 5****Answer**

No

**Document Name****Comment**

Likes 0

Dislikes 0

**Response****Scott McGough - Georgia System Operations Corporation - 3****Answer**

No

**Document Name****Comment**

Likes 0

Dislikes 0

**Response**

**Hien Ho - Tacoma Public Utilities (Tacoma, WA) - 4**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Katherine Prewitt - Southern Company - Southern Company Services, Inc. - 1, Group Name Southern Company**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Daniel Mason - Portland General Electric Co. - 6**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Rachel Coyne - Texas Reliability Entity, Inc. - 10**

**Answer** Yes

**Document Name**

**Comment**

Texas RE inquires as to whether or not these Section 6 changes apply for Regional Reliability Standards.

Texas RE recommends including a general statement in the Standard Processes Manual pertaining to the official record of the Standard which should include the Field Test portion.

In Section 4.0 "Process for Developing, Modifying, Withdrawing or Retiring a Reliability Standard", the flow diagram on page 15 does not reflect the changes proposed in Section 6 (e.g., Field Test before a SAR is finalized). Texas RE noticed there is no mention of Field Testing in Section 4 other than in the introductory paragraph. Should there be?

Likes 0

Dislikes 0

### Response

**Leonard Kula - Independent Electricity System Operator - 2**

**Answer**

Yes

**Document Name**

**Comment**

We do not agree with inclusion of "NERC or" in Section 6.1.3, which says:

*"During the field test, if NERC or the lead NERC technical committee overseeing the field test determines that the field test is creating a reliability risk to the Bulk Power System, NERC or the lead NERC technical committee shall:"*

Filed tests are approved by the lead standing committee and the Standards Committee. Staff or NERC as a Corporation does not appear to be assigned any responsibility or authority in the approval process. When a field test is being conducted, any reliability concerns are detected or assessed by the entities conducting the field test. NERC or its staff does not appear to be involved in the actual conduct of the field test.

Therefore, we suggest to remove (NERC or) in the leading sentence of Section 6.1.3, and insert language to reflect the need for the entities conducting the field test to report to the leading standing committee overseeing the field test the reliability concerns, and request termination of the field test.

Likes 0

Dislikes 0

### Response

**Shelby Wade - PPL - Louisville Gas and Electric Co. - 3,5,6 - SERC, Group Name** Louisville Gas and Electric Company and Kentucky Utilities Company

**Answer**

Yes

**Document Name**

**Comment**

Section 6.1.3 appears to provide for the ability for NERC staff unilaterally to stop or modify the field test. It is not clear why the language “if NERC [staff] or” was inserted into this section of the revised draft since the last posting.

Likes 0

Dislikes 0

### Response

**Sean Bodkin - Dominion - Dominion Resources, Inc. - 6, Group Name** Dominion

**Answer**

Yes

**Document Name**

### Comment

Comments on the previous ballot of this section indicated that stakeholders would like to have specific timeframes for determinations of compliance waivers. A defined timeframe would provide transparency and certainty to field trial participants. This would not delay the process but rather provide a defined framework that stakeholders can rely upon to ensure that no reliability or compliance gaps are created during the field test process. Timeframes should be established for NERC to respond to stakeholders, especially on issues with compliance related to field testing a new concept. Dominion Energy recommends a 30 day timeframe.

Likes 0

Dislikes 0

### Response

**Ruida Shu - Northeast Power Coordinating Council - 1,2,3,4,5,6,7,8,9,10 - NPCC, Group Name** RSC no Dominion

**Answer**

Yes

**Document Name**

### Comment

We do not agree with inclusion of “NERC or” in Section 6.1.3, which says: *“During the field test, if NERC or the lead NERC technical committee overseeing the field test determines that the field test is creating a reliability risk to the Bulk Power System, NERC or the lead NERC technical committee shall.”*

Filed tests are approved by the lead standing committee and the Standards Committee. Staff or NERC as a Corporation does not appear to be assigned any responsibility or authority in the approval process. When a field test is being conducted, any reliability concerns are detected or assessed by the entities conducting the field test. NERC or its staff does not appear to be involved in the actual conduct of the field test.

Therefore, we suggest to remove (NERC or) in the leading sentence of Section 6.1.3, and insert language to reflect the need for the entities conducting the field test to report to the leading standing committee overseeing the field test the reliability concerns, and request termination of the field test.

Likes 0

Dislikes 0

Response	
<p><b>Brandon McCormick - Brandon McCormick On Behalf of: Jeffrey Partington, Keys Energy Services, 4; Ken Simmons, Gainesville Regional Utilities, 3, 1, 5; Neville Bowen, Ocala Utility Services, 3; Tom Reedy, Florida Municipal Power Pool, 6; - Brandon McCormick, Group Name FMPA</b></p>	
Answer	Yes
Document Name	
Comment	
<p>FMPA agrees with the following comments submitted by Dominion:</p> <p>Comments on the previous ballot of this section indicated that stakeholders would like to have specific timeframes for determinations of compliance waivers. A defined timeframe would provide transparency and certainty to field trial participants. This would not delay the process but rather provide a defined framework that stakeholders can rely upon to ensure that no reliability or compliance gaps are created during the field test process. Timeframes should be established for NERC to respond to stakeholders, especially on issues with compliance related to field testing a new concept. Dominion Energy recommends a 30 day timeframe.</p>	
Likes	0
Dislikes	0
Response	
<p><b>Matthew Harward - Southwest Power Pool, Inc. (RTO) - 2 - MRO,SERC, Group Name SPP Standards Review Group</b></p>	
Answer	Yes
Document Name	
Comment	
<p>Section 6.1.2 should be clarified: (i) to require that necessary waivers be granted prior to an entity's participation in the field test; and (ii) to the extent an entity is not granted a waiver, an acknowledgement that participation in the field test will not be a factor in determining the entity's compliance with a currently effective standard. Because the decision to determine whether waivers are granted are not subject to specific criteria and are within the sole determination of NERC, there should be no additional compliance risk if no waiver is granted but later a violation is identified by the Compliance Enforcement Authority ("CEA").</p> <p>Additionally, although a waiver may be granted there may be unforeseen risks to the reliability of the Bulk Power System and, therefore, the SPM should contain a provision to allow the operator/registered entity involved in a field test to also be authorized to exercise its authority to ensure grid reliability regardless of the terms of a field test. The SSRG recommends the following edit to the language:</p> <p>"During the field test, if NERC, the lead NERC technical committee overseeing the field test, or the Registered Entity participating in the field test, determines that the field test is creating a reliability risk to the Bulk Power System, either party shall:</p> <ul style="list-style-type: none"> <li>· stop the activity;</li> <li>· inform the Standards Committee that the activity was stopped; and</li> <li>· if NERC or the lead technical committee is of the opinion a modification to the field test is necessary, provide a technical justification to the</li> </ul>	



drafting team.

Likes 0

Dislikes 0

**Response**

**Chris Scanlon - Exelon - 1**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Marty Hostler - Northern California Power Agency - 5,6**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Richard Vine - California ISO - 2**

**Answer**

**Document Name**

**Comment**

The California ISO supports the comments of the ISO/RTO Council Standards Review Committee (SRC)

Likes 0

Dislikes 0

**Response**



**6. Do you agree with the revisions to Section 7.0 of the SPM regarding the approval and rejection of interpretation requests?**

**Daniel Mason - Portland General Electric Co. - 6**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Donald Sievertson - Los Angeles Department of Water and Power - 5**

**Answer** Yes

**Document Name**

**Comment**

It provides a guideline for approval

Likes 0

Dislikes 0

**Response**

**Katherine Prewitt - Southern Company - Southern Company Services, Inc. - 1, Group Name Southern Company**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Matthew Harward - Southwest Power Pool, Inc. (RTO) - 2 - MRO,SERC, Group Name SPP Standards Review Group**

**Answer** Yes

<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
Brandon McCormick - Brandon McCormick On Behalf of: Jeffrey Partington, Keys Energy Services, 4; Ken Simmons, Gainesville Regional Utilities, 3, 1, 5; Neville Bowen, Ocala Utility Services, 3; Tom Reedy, Florida Municipal Power Pool, 6; - Brandon McCormick, Group Name FMPA	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
Hien Ho - Tacoma Public Utilities (Tacoma, WA) - 4	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
Scott McGough - Georgia System Operations Corporation - 3	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	

Dislikes 0

**Response**

**David Ramkalawan - Ontario Power Generation Inc. - 5**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Dennis Sismaet - Northern California Power Agency - 5,6**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Marty Hostler - Northern California Power Agency - 5,6**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Ruida Shu - Northeast Power Coordinating Council - 1,2,3,4,5,6,7,8,9,10 - NPCC, Group Name RSC no Dominion**

**Answer**

Yes

<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<p><b>Douglas Webb - Douglas Webb On Behalf of: Harold Wyble, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; James McBee, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; Jennifer Flandermeyer, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; John Carlson, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; - Douglas Webb</b></p>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<p><b>Charles Yeung - Southwest Power Pool, Inc. (RTO) - 2</b></p>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<p><b>Dennis Chastain - Tennessee Valley Authority - 1,3,5,6 - SERC</b></p>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	

Dislikes 0

**Response**

**Sean Bodkin - Dominion - Dominion Resources, Inc. - 6, Group Name** Dominion

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Shelby Wade - PPL - Louisville Gas and Electric Co. - 3,5,6 - SERC, Group Name** Louisville Gas and Electric Company and Kentucky Utilities Company

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Kelsi Rigby - APS - Arizona Public Service Co. - 5**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Leonard Kula - Independent Electricity System Operator - 2**

Answer	Yes
Document Name	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Glen Farmer - Avista - Avista Corporation - 1,3,5</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Maryanne Darling-Reich - Black Hills Corporation - 1,3,5,6 - WECC</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Karie Barczak - DTE Energy - Detroit Edison Company - 3, Group Name DTE Energy - DTE Electric</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes 0	



Dislikes 0

**Response**

**Richard Jackson - U.S. Bureau of Reclamation - 1**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Rachel Coyne - Texas Reliability Entity, Inc. - 10**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Steve Floyd - Granite Shore Power - 5 - NPCC**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Chris Scanlon - Exelon - 1**

**Answer**

Yes

<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>John Seelke - LS Power Transmission, LLC - 1</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Richard Vine - California ISO - 2</b>	
<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
The California ISO supports the comments of the ISO/RTO Council Standards Review Committee (SRC)	
Likes 0	
Dislikes 0	
<b>Response</b>	

**7. Do you agree that Interpretations should continue to be posted for comment and ballot in the same manner as Reliability Standards?**

**Daniel Mason - Portland General Electric Co. - 6**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**John Seelke - LS Power Transmission, LLC - 1**

**Answer** Yes

**Document Name**

**Comment**

LSPT believes that Section 7: Process for Developing an Interpretation should be changed by modifying the NERC Rules of Procedure (“ROP”) definition of “Interpretation” to include all mandatory and enforceable components of a Reliability Standard. In addition, Section 7 does not require the NERC Staff to respond to an Interpretation request within a defined timeframe. The SPM team should clarify whether it believes Section 8 applies to a NERC Staff delay in responding to an Interpretation request.

**Mandatory and Enforceable Components of a Reliability Standard**

The last paragraph in Section 2.5 of the proposed SPM clean version states:

“The only mandatory and enforceable components of a Reliability Standard are the: (1) applicability, (2) Requirements, and the (3) effective dates.”

The definition of “Interpretation” in Appendix 2 of the NERC’s ROP is excerpted below. It is not a NERC Glossary term.

“Interpretation” means an addendum to a Reliability Standard, developed in accordance with the NERC Standard Processes Manual and approved by the Applicable Governmental Authority(ies), that provides additional clarity about one or more Requirements in the Reliability Standard.

Section 7 addressed only one of the three mandatory elements of a Reliability Standard. There is no other forum within NERC that allows a Registered Entity to get the same clarity for the applicability or the effective dates associated with a standard. If the definition of “Interpretation” was changed to include both the “applicability” and “effective date” of a standard, then those requests could be addressed in proposed Section 7 of the SPM.

**Changing the Definition of “Interpretation”**

A definition change requires an amendment to Appendix 2 of ROP, which may be done per Section 1400. Section 1401, excerpted below, addresses who may initiate a change to the ROP.

1401. Proposals for Amendment or Repeal of Rules of Procedure

In accordance with the Bylaws of NERC, requests to amend or repeal the Rules of Procedure may be submitted by (1) any fifty Members of NERC,

which number shall include Members from at least three membership Sectors, (2) the Member Representatives Committee, (3) a committee of NERC to whose function and purpose the Rule of Procedure pertains, or (4) an officer of NERC.

Per NERC's [Organization Chart](#), the Standards Committee may propose a change per Section 1401, item (3). The SPM team should develop a new definition of "Interpretation" concurrent and post it for comments in a subsequent draft SPM that modifies the 6/25/18 posting. The next posting should also modify Section 7 to accommodate the new definition. Comments should be requested on both the new definition and accompanying Section 7 changes.

While a new "Interpretation" definition would be proposed by the Standards Committee under the Section 1400 process, its effective date should be tied to the effective date of the approval of a revised SPM that uses the new definition. Both SPM changes and the new ROP definition would be submitted by the Standards Committee to the NERC Board for its approval, and, if approved, by NERC to Applicable Governmental Authorities. This may be accomplished in a single filing.

### NERC Staff Response to an Interpretation Request

In Section 7, NERC Staff receives all Interpretation requests and make a recommendation to the Standards Committee to accept or reject the request. Section 7 has no timetable for action by NERC Staff. Under Section 8.0: Process for Appealing an Action or Inaction, inactions can be appealed at any time. Does the SPM team consider Section 8 as possible remedy for inaction by NERC Staff on an Interpretation request? The SPM team should clarify whether Section 8 applies to inaction by NERC staff delay in responding to an Interpretation request. If it does not apply, the SPM team should explain its reasoning.

Likes	0
Dislikes	0
<b>Response</b>	

### Donald Sievertson - Los Angeles Department of Water and Power - 5

<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
It deffinatly is a usefull tool	
Likes	0
Dislikes	0

<b>Response</b>	
-----------------	--

### Chris Scanlon - Exelon - 1

<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	

Likes 0

Dislikes 0

**Response**

**Steve Floyd - Granite Shore Power - 5 - NPCC**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Rachel Coyne - Texas Reliability Entity, Inc. - 10**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Richard Jackson - U.S. Bureau of Reclamation - 1**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Karie Barczak - DTE Energy - Detroit Edison Company - 3, Group Name DTE Energy - DTE Electric**

Answer	Yes
Document Name	
Comment	
Likes 0	
Dislikes 0	
Response	
<b>Maryanne Darling-Reich - Black Hills Corporation - 1,3,5,6 - WECC</b>	
Answer	Yes
Document Name	
Comment	
Likes 0	
Dislikes 0	
Response	
<b>Glen Farmer - Avista - Avista Corporation - 1,3,5</b>	
Answer	Yes
Document Name	
Comment	
Likes 0	
Dislikes 0	
Response	
<b>Leonard Kula - Independent Electricity System Operator - 2</b>	
Answer	Yes
Document Name	
Comment	
Likes 0	

Dislikes 0

**Response**

**Kelsi Rigby - APS - Arizona Public Service Co. - 5**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Shelby Wade - PPL - Louisville Gas and Electric Co. - 3,5,6 - SERC, Group Name** Louisville Gas and Electric Company and Kentucky Utilities Company

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Sean Bodkin - Dominion - Dominion Resources, Inc. - 6, Group Name** Dominion

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Dennis Chastain - Tennessee Valley Authority - 1,3,5,6 - SERC**

Answer	Yes
Document Name	
Comment	
Likes 0	
Dislikes 0	
Response	
<b>Charles Yeung - Southwest Power Pool, Inc. (RTO) - 2</b>	
Answer	Yes
Document Name	
Comment	
Likes 0	
Dislikes 0	
Response	
<b>Douglas Webb - Douglas Webb On Behalf of: Harold Wyble, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; James McBee, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; Jennifer Flandermeyer, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; John Carlson, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; - Douglas Webb</b>	
Answer	Yes
Document Name	
Comment	
Likes 0	
Dislikes 0	
Response	
<b>Ruida Shu - Northeast Power Coordinating Council - 1,2,3,4,5,6,7,8,9,10 - NPCC, Group Name RSC no Dominion</b>	
Answer	Yes
Document Name	
Comment	



Likes 0

Dislikes 0

**Response**

**Marty Hostler - Northern California Power Agency - 5,6**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Dennis Sismaet - Northern California Power Agency - 5,6**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**David Ramkalawan - Ontario Power Generation Inc. - 5**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Scott McGough - Georgia System Operations Corporation - 3**

Answer	Yes
Document Name	
Comment	
Likes 0	
Dislikes 0	
Response	
<b>Hien Ho - Tacoma Public Utilities (Tacoma, WA) - 4</b>	
Answer	Yes
Document Name	
Comment	
Likes 0	
Dislikes 0	
Response	
<b>Brandon McCormick - Brandon McCormick On Behalf of: Jeffrey Partington, Keys Energy Services, 4; Ken Simmons, Gainesville Regional Utilities, 3, 1, 5; Neville Bowen, Ocala Utility Services, 3; Tom Reedy, Florida Municipal Power Pool, 6; - Brandon McCormick, Group Name FMPA</b>	
Answer	Yes
Document Name	
Comment	
Likes 0	
Dislikes 0	
Response	
<b>Matthew Harward - Southwest Power Pool, Inc. (RTO) - 2 - MRO,SERC, Group Name SPP Standards Review Group</b>	
Answer	Yes
Document Name	
Comment	

Likes 0

Dislikes 0

**Response**

**Katherine Prewitt - Southern Company - Southern Company Services, Inc. - 1, Group Name** Southern Company

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Richard Vine - California ISO - 2**

**Answer**

**Document Name**

**Comment**

The California ISO supports the comments of the ISO/RTO Council Standards Review Committee (SRC)

Likes 0

Dislikes 0

**Response**

**8. Do you have any other comments concerning Section 7.0 of the SPM?**

**Daniel Mason - Portland General Electric Co. - 6**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Katherine Prewitt - Southern Company - Southern Company Services, Inc. - 1, Group Name Southern Company**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Hien Ho - Tacoma Public Utilities (Tacoma, WA) - 4**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Scott McGough - Georgia System Operations Corporation - 3**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response****David Ramkalawan - Ontario Power Generation Inc. - 5****Answer**

No

**Document Name****Comment**

Likes 0

Dislikes 0

**Response****Dennis Sismaet - Northern California Power Agency - 5,6****Answer**

No

**Document Name****Comment**

Likes 0

Dislikes 0

**Response****Marty Hostler - Northern California Power Agency - 5,6****Answer**

No

**Document Name****Comment**

Likes 0

Dislikes 0

**Response**

**Ruida Shu - Northeast Power Coordinating Council - 1,2,3,4,5,6,7,8,9,10 - NPCC, Group Name RSC no Dominion**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Douglas Webb - Douglas Webb On Behalf of: Harold Wyble, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; James McBee, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; Jennifer Flandermeyer, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; John Carlson, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; - Douglas Webb**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Donald Sievertson - Los Angeles Department of Water and Power - 5**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Dennis Chastain - Tennessee Valley Authority - 1,3,5,6 - SERC**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response****Sean Bodkin - Dominion - Dominion Resources, Inc. - 6, Group Name** Dominion**Answer**

No

**Document Name****Comment**

Likes 0

Dislikes 0

**Response****Kelsi Rigby - APS - Arizona Public Service Co. - 5****Answer**

No

**Document Name****Comment**

Likes 0

Dislikes 0

**Response****Leonard Kula - Independent Electricity System Operator - 2****Answer**

No

**Document Name****Comment**

Likes 0

Dislikes 0

**Response**

**Glen Farmer - Avista - Avista Corporation - 1,3,5**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Maryanne Darling-Reich - Black Hills Corporation - 1,3,5,6 - WECC**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Karie Barczak - DTE Energy - Detroit Edison Company - 3, Group Name DTE Energy - DTE Electric**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Richard Jackson - U.S. Bureau of Reclamation - 1**

**Answer** No

**Document Name**

**Comment**



Likes 0

Dislikes 0

**Response**

**Rachel Coyne - Texas Reliability Entity, Inc. - 10**

**Answer**

No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Steve Floyd - Granite Shore Power - 5 - NPCC**

**Answer**

No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Chris Scanlon - Exelon - 1**

**Answer**

No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

<b>Matthew Harward - Southwest Power Pool, Inc. (RTO) - 2 - MRO,SERC, Group Name SPP Standards Review Group</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
How does NERC propose to post/notice FERC approved Interpretations to ensure transparency and notice to responsible entities? The SPM provides that approved Interpretations "shall stand" until incorporated into future SARs or the standard is retired, but does not provide direction how the Interpretation will be posted or tied to the applicable Reliability Standard. The SSRG recommends adding clarification and a mechanism to assure transparency.	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Brandon McCormick - Brandon McCormick On Behalf of: Jeffrey Partington, Keys Energy Services, 4; Ken Simmons, Gainesville Regional Utilities, 3, 1, 5; Neville Bowen, Ocala Utility Services, 3; Tom Reedy, Florida Municipal Power Pool, 6; - Brandon McCormick, Group Name FMPA</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
FMPA agrees with the following comments submitted by LG&E/KU:	
Figure 2: Process for Developing an Interpretation is not referenced in the text of Section 7. In addition to referencing Figure 2 in the text of Section 7, it may be beneficial to number the steps directly in Section 7 to ensure there are no discrepancies between the words of Section 7 and the figure	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Shelby Wade - PPL - Louisville Gas and Electric Co. - 3,5,6 - SERC, Group Name Louisville Gas and Electric Company and Kentucky Utilities Company</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Figure 2: Process for Developing an Interpretation is not referenced in the text of Section 7. In addition to referencing Figure 2 in the text of Section 7, it may be beneficial to number the steps directly in Section 7 to ensure there are no discrepancies between the words of Section 7 and the figure.	

Likes 0

Dislikes 0

**Response**

**Thomas Foltz - AEP - 5**

**Answer** Yes

**Document Name**

**Comment**

Section 7.1

The text "A valid Interpretation may not alter the scope or language of a Requirement" should instead state "A valid Interpretation may not alter the scope, language, or intent of a Requirement."

Section 7.2.2

It is unclear why text was struck regarding the formation of the ballot pool. As the section now reads, it is unclear how or when a ballot pool for the Interpretation request is ever established.

Likes 0

Dislikes 0

**Response**

**John Seelke - LS Power Transmission, LLC - 1**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Charles Yeung - Southwest Power Pool, Inc. (RTO) - 2**

**Answer**

**Document Name**

**Comment**

1. Sec 7.2.3

*“If an Interpretation drafting team recommends a modification to a Reliability Standard based on its work in developing the Interpretation, the Board of Trustees shall be notified of this recommendation at the time the Interpretation is submitted for adoption. Following Board of Trustees adoption, the Interpretation shall be filed with the Applicable Governmental Authorities, and the Interpretation shall become effective when approved by those Applicable Governmental Authorities. The Interpretation shall stand until it can be incorporated into a future revision of the Reliability Standard is approved or the Interpretation is retired due to a future modification of the applicable Requirement.”*

The wording “until it can be incorporated...” should be removed. Although it may be appropriate that the interpretation be incorporated into the standard, it must be done through the open standards development process. The wording can be misunderstood that the industry has no alternative but to incorporate that interpretation into the standard without discussion. If so, it potentially circumvents the ANSI process for modification of an existing standard. If the Board adopts the interpretation team’s interpretation and the SPM language requires the interpretation be incorporated into the standard verbatim, then the industry is denied the opportunity to debate that interpretation through the ANSI process. It should be clearly stated that an interpretation which recommends a SAR to modify a standard is subject to industry approval of the final modifications.

Likes 0

Dislikes 0

**Response**

**Richard Vine - California ISO - 2**

**Answer**

**Document Name**

**Comment**

The California ISO supports the comments of the ISO/RTO Council Standards Review Committee (SRC)

Likes 0

Dislikes 0

**Response**

9. Do you agree that the revisions to Section 9.0 of the SPM clarify that variances for the Quebec Interconnection may be developed through the NPCC regional standard development process?

Daniel Mason - Portland General Electric Co. - 6

Answer No

Document Name

Comment

Likes 0

Dislikes 0

Response

Dennis Chastain - Tennessee Valley Authority - 1,3,5,6 - SERC

Answer Yes

Document Name

Comment

It would seem the last sentence of the fourth paragraph in section 9.1 might also need a minor edit to align with the added second paragraph –

“NERC shall rebuttably presume that an Interconnection-wide Variance from a NERC Reliability Standard that is developed, in accordance with a Regional Reliability Standards development procedure approved by NERC, by a Regional Entity organized on an Interconnection-wide basis [**or that wholly contains an Interconnection**], is just, reasonable, and not unduly discriminatory or preferential, and in the public interest.”

Likes 0

Dislikes 0

Response

Donald Sievertson - Los Angeles Department of Water and Power - 5

Answer Yes

Document Name

Comment

Agree, it is more relevant

Likes 0

Dislikes 0

**Response**

**John Seelke - LS Power Transmission, LLC - 1**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Steve Floyd - Granite Shore Power - 5 - NPCC**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Rachel Coyne - Texas Reliability Entity, Inc. - 10**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Richard Jackson - U.S. Bureau of Reclamation - 1**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response****Karie Barczak - DTE Energy - Detroit Edison Company - 3, Group Name DTE Energy - DTE Electric****Answer**

Yes

**Document Name****Comment**

Likes 0

Dislikes 0

**Response****Maryanne Darling-Reich - Black Hills Corporation - 1,3,5,6 - WECC****Answer**

Yes

**Document Name****Comment**

Likes 0

Dislikes 0

**Response****Glen Farmer - Avista - Avista Corporation - 1,3,5****Answer**

Yes

**Document Name****Comment**

Likes 0

Dislikes 0

**Response**

**Leonard Kula - Independent Electricity System Operator - 2**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Kelsi Rigby - APS - Arizona Public Service Co. - 5**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Shelby Wade - PPL - Louisville Gas and Electric Co. - 3,5,6 - SERC, Group Name Louisville Gas and Electric Company and Kentucky Utilities Company**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Sean Bodkin - Dominion - Dominion Resources, Inc. - 6, Group Name Dominion**

**Answer** Yes

**Document Name**



<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Charles Yeung - Southwest Power Pool, Inc. (RTO) - 2</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Douglas Webb - Douglas Webb On Behalf of: Harold Wyble, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; James McBee, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; Jennifer Flandermeyer, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; John Carlson, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; - Douglas Webb</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Ruida Shu - Northeast Power Coordinating Council - 1,2,3,4,5,6,7,8,9,10 - NPCC, Group Name RSC no Dominion</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	

**Response**

**Marty Hostler - Northern California Power Agency - 5,6**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Dennis Sismaet - Northern California Power Agency - 5,6**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**David Ramkalawan - Ontario Power Generation Inc. - 5**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Scott McGough - Georgia System Operations Corporation - 3**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Hien Ho - Tacoma Public Utilities (Tacoma, WA) - 4**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Brandon McCormick - Brandon McCormick On Behalf of: Jeffrey Partington, Keys Energy Services, 4; Ken Simmons, Gainesville Regional Utilities, 3, 1, 5; Neville Bowen, Ocala Utility Services, 3; Tom Reedy, Florida Municipal Power Pool, 6; - Brandon McCormick, Group Name FMPA**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Matthew Harward - Southwest Power Pool, Inc. (RTO) - 2 - MRO,SERC, Group Name SPP Standards Review Group**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

<b>Response</b>	
<b>Katherine Prewitt - Southern Company - Southern Company Services, Inc. - 1, Group Name</b> Southern Company	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Richard Vine - California ISO - 2</b>	
<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
The California ISO supports the comments of the ISO/RTO Council Standards Review Committee (SRC)	
Likes 0	
Dislikes 0	
<b>Response</b>	

**10. Do you agree that the revisions to Section 11.0 of the SPM clarify the scope and applicability of this section?**

**Katherine Prewitt - Southern Company - Southern Company Services, Inc. - 1, Group Name** Southern Company

**Answer** No

**Document Name**

**Comment**

Southern Company is concerned with the introduction of Lessons Learned in the SPM. If adopted, this will be the first instance of Lessons Learned being included in the SPM. The introductory remarks at Section 11.1 state that Lessons Learned can be posted alongside an approved Reliability Standard. It is not clear if this is the only purpose for including Lessons Learned and its description in the SPM. The SPM should clearly state that the SPM is not mandating a process for posting, developing and approving Lessons Learned. Existing statements on NERC's website ([https://www.nerc.com/pa/rm/Documents/Lessons\\_Learned\\_Quick\\_Reference\\_Guide.pdf](https://www.nerc.com/pa/rm/Documents/Lessons_Learned_Quick_Reference_Guide.pdf)) provide that Lessons Learned are created through collaboration between NERC, the Regions, and the registered entities. Additional text within the SPM will affirm the purpose.

Likes 0

Dislikes 0

**Response**

**Brandon McCormick - Brandon McCormick On Behalf of: Jeffrey Partington, Keys Energy Services, 4; Ken Simmons, Gainesville Regional Utilities, 3, 1, 5; Neville Bowen, Ocala Utility Services, 3; Tom Reedy, Florida Municipal Power Pool, 6; - Brandon McCormick, Group Name** FMPA

**Answer** No

**Document Name**

**Comment**

FMPA agrees with the comments submitted by LG&E/KU:

In reviewing the comments submitted by the industry, LG&E/KU agrees with other commenters that section 11.2 should have some type of deadline for NERC Staff to make a determination on the criteria. We suggest within 90 days of receipt of the document.

We also believe that it should be the Standard Committee that ultimately decides whether or not a proposed document does or does not meet either the first or second criterion in section 11.2. Therefore, the language should provide that either the SC can override NERC staff's determination or that NERC staff shall make a recommendation to the SC for SC acceptance or rejection. This concept is supported by the proposed language in section 11.3 which states in part that "*NERC Staff shall present the supporting technical document to the NERC Standards Committee with a recommendation regarding whether the Standards Committee should approve posting the supporting technical document with the approved Reliability Standard on the pertinent NERC website page(s).*" Since the ultimate decision lies with the SC to approve posting of the document alongside the approved Reliability Standard, the SC should also make the final determinations regarding whether documents should move through the process or not.

Likes 0

Dislikes 0

**Response**

**Dennis Sismaet - Northern California Power Agency - 5,6**

**Answer** No

**Document Name**

**Comment**

45-days for commenting is more appropriate.

Likes 0

Dislikes 0

**Response**

**Marty Hostler - Northern California Power Agency - 5,6**

**Answer** No

**Document Name**

**Comment**

45-days for commenting is more appropriate.

Likes 0

Dislikes 0

**Response**

**Shelby Wade - PPL - Louisville Gas and Electric Co. - 3,5,6 - SERC, Group Name Louisville Gas and Electric Company and Kentucky Utilities Company**

**Answer** No

**Document Name**

**Comment**

In reviewing the comments submitted by the industry, LG&E/KU agrees with other commenters that section 11.2 should have some type of deadline for NERC Staff to make a determination on the criteria. We suggest within 90 days of receipt of the document.

We also believe that it should be the Standard Committee that ultimately decides whether or not a proposed document does or does not meet either the first or second criterion in section 11.2. Therefore, the language should provide that either the SC can override NERC staff's determination or that NERC staff shall make a recommendation to the SC for SC acceptance or rejection. This concept is supported by the proposed language in section 11.3 which states in part that "*NERC Staff shall present the supporting technical document to the NERC Standards Committee with a recommendation regarding whether the Standards Committee should approve posting the supporting technical document with the approved Reliability Standard on the pertinent NERC website page(s).*" Since the ultimate decision lies with the SC to approve posting of the document alongside the approved Reliability

Standard, the SC should also make the final determinations regarding whether documents should move through the process or not.

Likes 0

Dislikes 0

### Response

#### Thomas Foltz - AEP - 5

Answer

No

Document Name

#### Comment

As provided in our feedback submitted in 2017, AEP once again disagrees with allowing only 30 day to provide comment. Supporting documentation, white papers for example, are often voluminous and/or fairly complex. The existing 45 day comment period is more appropriate than the proposed 30 days, and would allow industry to develop and provide more meaningful input. In its Consideration of Comments feedback last year, the team justified the proposed turnaround time by stating it provides "flexibility to the Standards Committee to direct a longer (or shorter) comment period depending on the nature and technical complexity of the proposed supporting document" and that it ensures "that any document to be posted as a supporting document has received adequate stakeholder review to assess its technical adequacy." We do not see any flexibility or allowance in this section for a longer comment period, and believe that 30 day comments period for these technical documents will not improve either the quality or amount of feedback that the drafting teams receive. This concern is the primary driver behind AEP's decision to vote negative on the proposed revisions.

Likes 0

Dislikes 0

### Response

#### Daniel Mason - Portland General Electric Co. - 6

Answer

No

Document Name

#### Comment

Likes 0

Dislikes 0

### Response

#### Charles Yeung - Southwest Power Pool, Inc. (RTO) - 2

Answer

No

Document Name

**Comment**

Likes 0

Dislikes 0

**Response**

**Donald Sievertson - Los Angeles Department of Water and Power - 5**

**Answer** Yes

**Document Name**

**Comment**

it is helpfull with organization

Likes 0

Dislikes 0

**Response**

**Matthew Harward - Southwest Power Pool, Inc. (RTO) - 2 - MRO,SERC, Group Name SPP Standards Review Group**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Hien Ho - Tacoma Public Utilities (Tacoma, WA) - 4**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0



**Response**

**Scott McGough - Georgia System Operations Corporation - 3**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**David Ramkalawan - Ontario Power Generation Inc. - 5**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Ruida Shu - Northeast Power Coordinating Council - 1,2,3,4,5,6,7,8,9,10 - NPCC, Group Name RSC no Dominion**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Douglas Webb - Douglas Webb On Behalf of: Harold Wyble, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; James McBee, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; Jennifer Flandermeyer, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; John Carlson, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; - Douglas Webb**

**Answer** Yes

<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Dennis Chastain - Tennessee Valley Authority - 1,3,5,6 - SERC</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Sean Bodkin - Dominion - Dominion Resources, Inc. - 6, Group Name Dominion</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Kelsi Rigby - APS - Arizona Public Service Co. - 5</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	

**Response**

**Leonard Kula - Independent Electricity System Operator - 2**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Glen Farmer - Avista - Avista Corporation - 1,3,5**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Maryanne Darling-Reich - Black Hills Corporation - 1,3,5,6 - WECC**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Karie Barczak - DTE Energy - Detroit Edison Company - 3, Group Name DTE Energy - DTE Electric**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response****Richard Jackson - U.S. Bureau of Reclamation - 1****Answer**

Yes

**Document Name****Comment**

Likes 0

Dislikes 0

**Response****Steve Floyd - Granite Shore Power - 5 - NPCC****Answer**

Yes

**Document Name****Comment**

Likes 0

Dislikes 0

**Response****Chris Scanlon - Exelon - 1****Answer**

Yes

**Document Name****Comment**

Likes 0

Dislikes 0

**Response**

**John Seelke - LS Power Transmission, LLC - 1**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Richard Vine - California ISO - 2**

**Answer**

**Document Name**

**Comment**

The California ISO supports the comments of the ISO/RTO Council Standards Review Committee (SRC)

Likes 0

Dislikes 0

**Response**

**11. Do you agree that no separate Standards Committee authorization should be required to post a supporting technical document developed by the standard drafting team alongside the approved Reliability Standard on the NERC website?**

**Shelby Wade - PPL - Louisville Gas and Electric Co. - 3,5,6 - SERC, Group Name** Louisville Gas and Electric Company and Kentucky Utilities Company

**Answer** No

**Document Name**

**Comment**

This question is confusing and seems to apply to Section 4.4.2 rather than section 11 as the question indicates "...developed by the standard drafting team...". It appears section 11 only applies to documents developed "by which any stakeholder may propose" and not "by the standard drafting team".

Likes 0

Dislikes 0

**Response**

**Sean Bodkin - Dominion - Dominion Resources, Inc. - 6, Group Name** Dominion

**Answer** No

**Document Name**

**Comment**

The Standards Committee should have the ability to make a final determination of the posting of a document. As these are stakeholder developed documents associated with a stakeholder developed Reliability Standard, the final authority to post a document developed under Section 11 should reside with the stakeholder committee designated by the Board of Trustees to oversee the standards development process, the Standards Committee.

Likes 0

Dislikes 0

**Response**

**Brandon McCormick - Brandon McCormick On Behalf of: Jeffrey Partington, Keys Energy Services, 4; Ken Simmons, Gainesville Regional Utilities, 3, 1, 5; Neville Bowen, Ocala Utility Services, 3; Tom Reedy, Florida Municipal Power Pool, 6; - Brandon McCormick, Group Name** FMPA

**Answer** No

**Document Name**

**Comment**

FMPA agrees with the following comments submitted by Dominion:

The Standards Committee should have the ability to make a final determination of the posting of a document. As these are stakeholder developed

documents associated with a stakeholder developed Reliability Standard, the final authority to post a document developed under Setion 11 should reside with the stakeholder committee designated by the Board of Trustees to oversee the standards development process, the Standards Committee.

Likes 0

Dislikes 0

### Response

**Matthew Harward - Southwest Power Pool, Inc. (RTO) - 2 - MRO,SERC, Group Name SPP Standards Review Group**

**Answer**

No

**Document Name**

**Comment**

Section 11.3 should be clarified whether the Standards Committee is approving the Supporting Technical Document or just approving the posting of a Supporting Technical Document. Currently, the section only provides that NERC Staff shall present to and recommend the Standards Committee should approve posting of a technical document. Given the title of the section is "Approving a Supporting Technical Document," the SSRG recommends that Section 11.3 be revised to state the Standard Committee approves both the Supporting Technical Document and the posting of such.

Likes 0

Dislikes 0

### Response

**Daniel Mason - Portland General Electric Co. - 6**

**Answer**

No

**Document Name**

**Comment**

Likes 0

Dislikes 0

### Response

**Rachel Coyne - Texas Reliability Entity, Inc. - 10**

**Answer**

Yes

**Document Name**

**Comment**

Texas RE sees no issue with the SC not authorizing a technical document developed by the SDT, however, Texas RE suggests that the SDT and/or

NERC Staff ensure the documents meet the criteria described in section 11.2.

Likes 0

Dislikes 0

### Response

#### Maryanne Darling-Reich - Black Hills Corporation - 1,3,5,6 - WECC

Answer

Yes

Document Name

Comment

Per section 11.0 paragraph 3, "...Following approval of the Reliability Standard, those documents may be posted alongside the standard...". Supporting documents should have a defined location for access by entities after approval (e.g. RSAW subpage on NERC webpage).

Likes 1

Utility Services, Inc., 4, Evans-Mongeon Brian

Dislikes 0

### Response

#### Charles Yeung - Southwest Power Pool, Inc. (RTO) - 2

Answer

Yes

Document Name

Comment

Sec 9.1 *"Where a Regional Entity is not organized on an Interconnection ~~Entity~~ wholly contained in that Regional Entity's footprint, the Variance may be developed through that Regional Entity's NERC Regional Reliability Standards development procedure."* ~~Entities without~~

It is unclear whether the RE must use its own process or whether a registered entity may request that the NERC process be used instead.

Likes 0

Dislikes 0

### Response

#### Donald Sievertson - Los Angeles Department of Water and Power - 5

Answer

Yes

Document Name

Comment



Agree

Likes 0

Dislikes 0

**Response**

**John Seelke - LS Power Transmission, LLC - 1**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Chris Scanlon - Exelon - 1**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Steve Floyd - Granite Shore Power - 5 - NPCC**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Richard Jackson - U.S. Bureau of Reclamation - 1**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Karie Barczak - DTE Energy - Detroit Edison Company - 3, Group Name DTE Energy - DTE Electric**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Glen Farmer - Avista - Avista Corporation - 1,3,5**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Leonard Kula - Independent Electricity System Operator - 2**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Kelsi Rigby - APS - Arizona Public Service Co. - 5**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Dennis Chastain - Tennessee Valley Authority - 1,3,5,6 - SERC**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Douglas Webb - Douglas Webb On Behalf of: Harold Wyble, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; James McBee, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; Jennifer Flandermeyer, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; John Carlson, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; - Douglas Webb**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Ruida Shu - Northeast Power Coordinating Council - 1,2,3,4,5,6,7,8,9,10 - NPCC, Group Name RSC no Dominion**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Marty Hostler - Northern California Power Agency - 5,6**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Dennis Sismaet - Northern California Power Agency - 5,6**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**David Ramkalawan - Ontario Power Generation Inc. - 5**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Scott McGough - Georgia System Operations Corporation - 3**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Hien Ho - Tacoma Public Utilities (Tacoma, WA) - 4**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Katherine Prewitt - Southern Company - Southern Company Services, Inc. - 1, Group Name Southern Company**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Richard Vine - California ISO - 2**

**Answer**

**Document Name**

**Comment**

The California ISO supports the comments of the ISO/RTO Council Standards Review Committee (SRC)

Likes 0

Dislikes 0

**Response**

**12. Do you have any other comments concerning Section 11.0 of the SPM?**

**Daniel Mason - Portland General Electric Co. - 6**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Matthew Harward - Southwest Power Pool, Inc. (RTO) - 2 - MRO,SERC, Group Name SPP Standards Review Group**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Hien Ho - Tacoma Public Utilities (Tacoma, WA) - 4**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Scott McGough - Georgia System Operations Corporation - 3**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response****David Ramkalawan - Ontario Power Generation Inc. - 5****Answer**

No

**Document Name****Comment**

Likes 0

Dislikes 0

**Response****Dennis Sismaet - Northern California Power Agency - 5,6****Answer**

No

**Document Name****Comment**

Likes 0

Dislikes 0

**Response****Marty Hostler - Northern California Power Agency - 5,6****Answer**

No

**Document Name****Comment**

Likes 0

Dislikes 0

**Response**



**Ruida Shu - Northeast Power Coordinating Council - 1,2,3,4,5,6,7,8,9,10 - NPCC, Group Name RSC no Dominion**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Douglas Webb - Douglas Webb On Behalf of: Harold Wyble, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; James McBee, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; Jennifer Flandermeyer, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; John Carlson, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; - Douglas Webb**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Donald Sievertson - Los Angeles Department of Water and Power - 5**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Dennis Chastain - Tennessee Valley Authority - 1,3,5,6 - SERC**

**Answer** No

**Document Name**

<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Shelby Wade - PPL - Louisville Gas and Electric Co. - 3,5,6 - SERC, Group Name</b> Louisville Gas and Electric Company and Kentucky Utilities Company	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Kelsi Rigby - APS - Arizona Public Service Co. - 5</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Leonard Kula - Independent Electricity System Operator - 2</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	

**Response**

**Glen Farmer - Avista - Avista Corporation - 1,3,5**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Maryanne Darling-Reich - Black Hills Corporation - 1,3,5,6 - WECC**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Karie Barczak - DTE Energy - Detroit Edison Company - 3, Group Name DTE Energy - DTE Electric**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Richard Jackson - U.S. Bureau of Reclamation - 1**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response****Rachel Coyne - Texas Reliability Entity, Inc. - 10****Answer**

No

**Document Name****Comment**

Likes 0

Dislikes 0

**Response****Steve Floyd - Granite Shore Power - 5 - NPCC****Answer**

No

**Document Name****Comment**

Likes 0

Dislikes 0

**Response****Chris Scanlon - Exelon - 1****Answer**

No

**Document Name****Comment**

Likes 0

Dislikes 0

**Response**

**John Seelke - LS Power Transmission, LLC - 1**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Katherine Prewitt - Southern Company - Southern Company Services, Inc. - 1, Group Name Southern Company**

**Answer** Yes

**Document Name**

**Comment**

In light of previously expressed stakeholder concerns with treatment of technical rationale, Guidelines and Technical Basis, and Implementation Guidance, the statement at the end of Section 11.1 – *Documents that contain specific compliance approaches or examples are not considered supporting technical documents under this Section.* – should be given more prominence and, therefore, relocated to the beginning of Section 11.1. More specifically, Southern’s suggestion is to locate the text immediately after the initial paragraph.

Likes 0

Dislikes 0

**Response**

**Brandon McCormick - Brandon McCormick On Behalf of: Jeffrey Partington, Keys Energy Services, 4; Ken Simmons, Gainesville Regional Utilities, 3, 1, 5; Neville Bowen, Ocala Utility Services, 3; Tom Reedy, Florida Municipal Power Pool, 6; - Brandon McCormick, Group Name FMPA**

**Answer** Yes

**Document Name**

**Comment**

FMPA agrees with the following comments submitted by Dominion:

Stakeholders requested that NERC staff have a definitive timeframe to make any determinations as outlined under Section 11 yet there is currently no language in Section 11 that specifies a timeframe for NERC staff to complete their evaluation of a submitted document. This gap in the process could lead to unintended consequences, including documents not being addressed promptly and stakeholder uncertainty on the status of a Section 11 document. Dominion Energy recommends NERC have a defined 90 day time period to present a determination to the Standards Committee.

Likes 0

Dislikes 0

**Response**

**Sean Bodkin - Dominion - Dominion Resources, Inc. - 6, Group Name** Dominion

**Answer**

Yes

**Document Name**

**Comment**

Stakeholders requested that NERC staff have a definitive timeframe to make any determinations as outlined under Section 11 yet there is currently no language in Section 11 that specifies a timeframe for NERC staff to complete their evaluation of a submitted document. This gap in the process could lead to unintended consequences, including documents not being addressed promptly and stakeholder uncertainty on the status of a Section 11 document. Dominion Energy recommends NERC have a defined 90 day time period to present a determination to the Standards Committee.

Likes 0

Dislikes 0

**Response**

**Charles Yeung - Southwest Power Pool, Inc. (RTO) - 2**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Richard Vine - California ISO - 2**

**Answer**

**Document Name**

**Comment**

The California ISO supports the comments of the ISO/RTO Council Standards Review Committee (SRC)

Likes 0

Dislikes 0

**Response**

13. Do you have any comments regarding the updates and clarifications proposed for the first time in this posting of the SPM, including the revisions in Sections 1.0, 2.0, 3.0, 10.0, 13.0, and 16.0?

**John Seelke - LS Power Transmission, LLC - 1**

Answer No

Document Name

Comment

Likes 0

Dislikes 0

Response

**Chris Scanlon - Exelon - 1**

Answer No

Document Name

Comment

Likes 0

Dislikes 0

Response

**Steve Floyd - Granite Shore Power - 5 - NPCC**

Answer No

Document Name

Comment

Likes 0

Dislikes 0

Response

**Rachel Coyne - Texas Reliability Entity, Inc. - 10**

Answer No



<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Richard Jackson - U.S. Bureau of Reclamation - 1</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Karie Barczak - DTE Energy - Detroit Edison Company - 3, Group Name DTE Energy - DTE Electric</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Maryanne Darling-Reich - Black Hills Corporation - 1,3,5,6 - WECC</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	

**Response**

**Leonard Kula - Independent Electricity System Operator - 2**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Kelsi Rigby - APS - Arizona Public Service Co. - 5**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Dennis Chastain - Tennessee Valley Authority - 1,3,5,6 - SERC**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Charles Yeung - Southwest Power Pool, Inc. (RTO) - 2**

**Answer** No

**Document Name**

<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Donald Sievertson - Los Angeles Department of Water and Power - 5</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Douglas Webb - Douglas Webb On Behalf of: Harold Wyble, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; James McBee, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; Jennifer Flandermeyer, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; John Carlson, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; - Douglas Webb</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Ruida Shu - Northeast Power Coordinating Council - 1,2,3,4,5,6,7,8,9,10 - NPCC, Group Name RSC no Dominion</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	

**Response**

**Marty Hostler - Northern California Power Agency - 5,6**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Dennis Sismaet - Northern California Power Agency - 5,6**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**David Ramkalawan - Ontario Power Generation Inc. - 5**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Scott McGough - Georgia System Operations Corporation - 3**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response****Hien Ho - Tacoma Public Utilities (Tacoma, WA) - 4****Answer**

No

**Document Name****Comment**

Likes 0

Dislikes 0

**Response****Katherine Prewitt - Southern Company - Southern Company Services, Inc. - 1, Group Name Southern Company****Answer**

No

**Document Name****Comment**

Likes 0

Dislikes 0

**Response****Daniel Mason - Portland General Electric Co. - 6****Answer**

No

**Document Name****Comment**

Likes 0

Dislikes 0

**Response**

**Shelby Wade - PPL - Louisville Gas and Electric Co. - 3,5,6 - SERC, Group Name** Louisville Gas and Electric Company and Kentucky Utilities Company

**Answer** Yes

**Document Name**

**Comment**

There is very little background or supporting information provided by NERC regarding the removal of two of the Elements of a Reliability Standard (i.e. *Application guidelines* and *Procedures*) in section 2.5. The revisions proposed in section 2.5 are referred to in the posted *Summary of Proposed Revisions to the NERC Standard Processes Manual – Second Posting* as “reflect[ing] the Standards Committee’s guidance for the development of Technical Rationale documents.” However, the Standards Committee’s documents that address Technical Rationale do not mention the elimination of *Application guidelines* or *Procedures* from the Elements of a Reliability Standard. If NERC is transitioning the *Application guidelines* and *Procedures* to Technical Rationale documents, it may be better for NERC to incorporate the term Technical Rationale as an Element of the Reliability Standard in order to complete the transition from Guidelines and Technical Basis (GTB) to Technical Rationale. Additionally, if Standard Drafting Teams can develop supporting technical documents under section 4.4.2, those documents should be considered an Element of the Reliability Standard.

Likes 1 Utility Services, Inc., 4, Evans-Mongeon Brian

Dislikes 0

**Response**

**Sean Bodkin - Dominion - Dominion Resources, Inc. - 6, Group Name** Dominion

**Answer** Yes

**Document Name**

**Comment**

The elimination of two elements of the Reliability Standard in Section 2.5 appears to be counter productive and could lead to standard drafting teams not having the ability to provide guidance on the implementation of the Requirements within the Reliability Standard. These elements of the standard could be used by the drafting teams to provide necessary guidance to stakeholders that is not contained within the actual Requirements but are necessary to understand the intent of the team when stakeholders are implementing the Requirements at a programmatic level rather than offering specific examples of how to comply with a Requirement through the Implementation Guidance process. An example is information contained in this element of the Reliability Standard for CIP-002.

Likes 1 Utility Services, Inc., 4, Evans-Mongeon Brian

Dislikes 0

**Response**

**Brandon McCormick - Brandon McCormick On Behalf of: Jeffrey Partington, Keys Energy Services, 4; Ken Simmons, Gainesville Regional Utilities, 3, 1, 5; Neville Bowen, Ocala Utility Services, 3; Tom Reedy, Florida Municipal Power Pool, 6; - Brandon McCormick, Group Name** FMPA

**Answer** Yes

<b>Document Name</b>	
<b>Comment</b>	
<p>FMPA agrees with the following comments submitted by Dominion:</p> <p>There is very little background or supporting information provided by NERC regarding the removal of two of the Elements of a Reliability Standard (i.e. <i>Application guidelines</i> and <i>Procedures</i>) in section 2.5. The revisions proposed in section 2.5 are referred to in the posted <i>Summary of Proposed Revisions to the NERC Standard Processes Manual – Second Posting</i> as “reflect[ing] the Standards Committee’s guidance for the development of Technical Rationale documents.” However, the Standards Committee’s documents that address Technical Rationale do not mention the elimination of <i>Application guidelines</i> or <i>Procedures</i> from the Elements of a Reliability Standard. If NERC is transitioning the <i>Application guidelines</i> and <i>Procedures</i> to Technical Rationale documents, it may be better for NERC to incorporate the term Technical Rationale as an Element of the Reliability Standard in order to complete the transition from Guidelines and Technical Basis (GTB) to Technical Rationale. Additionally, if Standard Drafting Teams can develop supporting technical documents under section 4.4.2, those documents should be considered an Element of the Reliability Standard.</p>	
Likes	0
Dislikes	0
<b>Response</b>	
<b>Matthew Harward - Southwest Power Pool, Inc. (RTO) - 2 - MRO,SERC, Group Name SPP Standards Review Group</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
<p>(1) Section 2.5 should be revised to state that the components of a Reliability Standard must include the following: Applicability, Effective Dates and Requirements; and may include the remaining elements as informational. Such a statement at the beginning of the section would be consistent with the final two sentences of the section that differentiates between mandatory and optional components of the Reliability Standard.</p> <p>(2) For consistency with other flowcharts, Figure 3 in Section 10.7 does not need the explanatory sentence “The following flowchart illustrates...” because the flowchart is already identified as <b>Figure 3: Process for Developing a Standard Responsive to an Imminent, Confidential Issue</b>.</p> <p>If the explanatory sentence is retained, for consistency the SSRG suggests adding a similar explanatory sentence to Figures 1, 2 and 4.</p>	
Likes	0
Dislikes	0
<b>Response</b>	
<b>Glen Farmer - Avista - Avista Corporation - 1,3,5</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	

Likes 0

Dislikes 0

**Response**

**Richard Vine - California ISO - 2**

**Answer**

**Document Name**

**Comment**

The California ISO supports the comments of the ISO/RTO Council Standards Review Committee (SRC)

Likes 0

Dislikes 0

**Response**



14. Do you have any other comments regarding revisions to any SPM section not specifically identified above?

**Daniel Mason - Portland General Electric Co. - 6**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Katherine Prewitt - Southern Company - Southern Company Services, Inc. - 1, Group Name Southern Company**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Brandon McCormick - Brandon McCormick On Behalf of: Jeffrey Partington, Keys Energy Services, 4; Ken Simmons, Gainesville Regional Utilities, 3, 1, 5; Neville Bowen, Ocala Utility Services, 3; Tom Reedy, Florida Municipal Power Pool, 6; - Brandon McCormick, Group Name FMPA**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Hien Ho - Tacoma Public Utilities (Tacoma, WA) - 4**

**Answer** No

<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Scott McGough - Georgia System Operations Corporation - 3</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>David Ramkalawan - Ontario Power Generation Inc. - 5</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Dennis Sismaet - Northern California Power Agency - 5,6</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	

**Response**

**Marty Hostler - Northern California Power Agency - 5,6**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Ruida Shu - Northeast Power Coordinating Council - 1,2,3,4,5,6,7,8,9,10 - NPCC, Group Name RSC no Dominion**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Donald Sievertson - Los Angeles Department of Water and Power - 5**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Charles Yeung - Southwest Power Pool, Inc. (RTO) - 2**

**Answer** No

**Document Name**

<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Dennis Chastain - Tennessee Valley Authority - 1,3,5,6 - SERC</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Sean Bodkin - Dominion - Dominion Resources, Inc. - 6, Group Name Dominion</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Shelby Wade - PPL - Louisville Gas and Electric Co. - 3,5,6 - SERC, Group Name Louisville Gas and Electric Company and Kentucky Utilities Company</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	

**Response**

**Kelsi Rigby - APS - Arizona Public Service Co. - 5**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Leonard Kula - Independent Electricity System Operator - 2**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Glen Farmer - Avista - Avista Corporation - 1,3,5**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Maryanne Darling-Reich - Black Hills Corporation - 1,3,5,6 - WECC**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response****Karie Barczak - DTE Energy - Detroit Edison Company - 3, Group Name** DTE Energy - DTE Electric**Answer**

No

**Document Name****Comment**

Likes 0

Dislikes 0

**Response****Richard Jackson - U.S. Bureau of Reclamation - 1****Answer**

No

**Document Name****Comment**

Likes 0

Dislikes 0

**Response****Rachel Coyne - Texas Reliability Entity, Inc. - 10****Answer**

No

**Document Name****Comment**

Likes 0

Dislikes 0

**Response**

**Steve Floyd - Granite Shore Power - 5 - NPCC**

Answer No

Document Name

Comment

Likes 0

Dislikes 0

Response

**Chris Scanlon - Exelon - 1**

Answer No

Document Name

Comment

Likes 0

Dislikes 0

Response

**John Seelke - LS Power Transmission, LLC - 1**

Answer No

Document Name

Comment

Likes 0

Dislikes 0

Response

**Daniela Hammons - CenterPoint Energy Houston Electric, LLC - 1**

Answer Yes

Document Name

Comment

CenterPoint Energy Houston Electric, LLC encourages NERC to continue to clarify and document how Technical Rationale may be used by standard drafting teams to capture the intent of the teams while developing requirements, by industry as reference documents once standards are approved, and by the ERO.

Likes 0

Dislikes 0

### Response

**Matthew Harward - Southwest Power Pool, Inc. (RTO) - 2 - MRO, SERC, Group Name SPP Standards Review Group**

**Answer**

Yes

**Document Name**

**Comment**

The SSRG appreciates the time and effort expended by the drafting team to revise the SPM, and supports the effort.

Likes 0

Dislikes 0

### Response

**Douglas Webb - Douglas Webb On Behalf of: Harold Wyble, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; James McBee, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; Jennifer Flandermeyer, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; John Carlson, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; - Douglas Webb**

**Answer**

Yes

**Document Name**

**Comment**

To bring clarity and transparency, we encourage NERC to develop a definition and affirmative language stating what a Technical Rationale is, how it is used, and what authority it holds, if any, in compliance and enforcement.

Likes 1

Utility Services, Inc., 4, Evans-Mongeon Brian

Dislikes 0

### Response

**Kristine Ward - Seminole Electric Cooperative, Inc. - 1,3,4,5,6 - FRCC**

**Answer**

Yes

**Document Name**



## Comment

### Comments

1. It is unclear why “Application guidelines” was deleted on page 6. Does this mean that NERC will not be drafting any more application guidelines?
2. NERC has produced Application Guides in the past, for examples for “Computing Geomagnetically-Induced Current in the Bulk-Power System.” If the definition of “Application Guideline” is deleted, then there is no longer a description of how to employ this guide produced by NERC. Seminole suggests the definitions remain in the Manual while NERC phases out these document types if that is what NERC’s intent it.
3. On page 17, the drafting team deleted the following:
  - i. The team shall document its justification for the Requirements in its proposed Reliability Standard by explaining how each meets these criteria. The standard drafting team shall document its justification for selecting each reference by explaining how each Requirement fits the category chosen.
  - ii. It is unclear why this was deleted and Seminole, without being provided with the reasoning for the deletion, prefers for it to remain. Seminole also reasons that the drafting team should explain their justification for a Requirement.
4. In Section 6.1, language stating that the Standards Committee “may solicit” for volunteers for the field test has been deleted. New language added states that the lead NERC Technical committee shall identify potential field test participants. If selected for a field test, will it be mandatory to participate now? The reasoning for the change is not provided.
5. Seminole reasons that language should be added that any data employed in rulemaking that is gathered from a field test is posted on a public site before any subsequent rulemakings, or part of subsequent rulemaking, similar to the EPA’s process.
6. During a field test, as discussed in Section 6.1, can a selected participant remove themselves at any time during a field test as a participant if they no longer wish to participate, including for reasons that have no impact on the BPS?
7. NERC recently approved a “CMEP Practice Guide” for TOP-001-4 and IRO-002-5. Seminole did not see an explanation for the approval process of this document type and recommends the drafting team add a description of the approval and outreach process for this document type to the Manual as Seminole was completely unaware that this document was being drafted.
8. Under Section 7.2.1 of the Manual, would “Guidelines and Technical Basis” language, such as those appended to the back of the NERC CIP Standards, be considered referenced attachments under the fourth bullet?
9. Seminole has heard that NERC intends to separate all guidelines and interpretations from NERC Standards moving forward as they are “not part of the Standard”. Is this still the intent of NERC, because if so, then this document should clarify that intent better.
10. With the deletion of “Guideline” on page 42, it is unclear how industry should treat the “Guidelines and Technical Basis” language that is appended to the back of multiple CIP Standards. NERC should not delete this language from page 42 until all Guidelines have been retired.
11. In the past, Seminole noticed that the redline for a proposed Standard was different than the proposed clean copy, both posted on the project page. What is NERC’s process for when there are differences in these two documents, e.g., what is actually being “approved”?

Likes 0

Dislikes 0

## Response

**Richard Vine - California ISO - 2**

**Answer**

**Document Name**

**Comment**

The California ISO supports the comments of the ISO/RTO Council Standards Review Committee (SRC)

Likes 0

Dislikes 0

**Response**

## Consideration of Comments

<b>Project Name:</b>	Revisions to the NERC Standard Processes Manual
Comment Period Start Date:	6/25/2018
Comment Period End Date:	8/9/2018
Associated Ballots:	NERC Standard Processes Manual Sections 2.1, 3.7, 6, 7, 8 & 11 AB 2 OT

There were 30 sets of responses, including comments from approximately 83 different people from approximately 64 companies representing 10 of the Industry Segments as shown in the table on the following pages.

All comments submitted can be reviewed in their original format on the [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 Senior Director of Engineering and Standards, [Howard Gugel](#) (via email) or at (404) 446-9693.

## Questions

1. Do you agree with the revisions to Section 4.4.2 of the SPM to clarify that drafting teams may develop and post supporting technical documents to help explain or facilitate understanding of draft Reliability Standard(s) or associated element(s)?
  
2. Do you agree that the proposed reorganization of Sections 4.12-4.14 clarifies the existing process for posting and balloting Reliability Standards and responding to comments?
  
3. Do you have any other comments concerning Section 4.0 of the SPM?
  
4. Do you agree that the revisions to Section 6.0 of the SPM clarify roles and responsibilities with respect to the conduct of field tests?
  
5. Do you have any other comments concerning Section 6.0 of the SPM?
  
6. Do you agree with the revisions to Section 7.0 of the SPM regarding the approval and rejection of interpretation requests?
  
7. Do you agree that Interpretations should continue to be posted for comment and ballot in the same manner as Reliability Standards?
  
8. Do you have any other comments concerning Section 7.0 of the SPM?
  
9. Do you agree that the revisions to Section 9.0 of the SPM clarify that variances for the Quebec Interconnection may be developed through the NPCC regional standard development process?
  
10. Do you agree that the revisions to Section 11.0 of the SPM clarify the scope and applicability of this section?

11. Do you agree that no separate Standards Committee authorization should be required to post a supporting technical document developed by the standard drafting team alongside the approved Reliability Standard on the NERC website?

12. Do you have any other comments concerning Section 11.0 of the SPM?

13. Do you have any comments regarding the updates and clarifications proposed for the first time in this posting of the SPM, including the revisions in Sections 1.0, 2.0, 3.0, 10.0, 13.0, and 16.0?

14. Do you have any other comments regarding revisions to any SPM section not specifically identified above?

Organization Name	Name	Segment(s)	Region	Group Name	Group Member Name	Group Member Organization	Group Member Segment(s)	Group Member Region
Brandon McCormick	Brandon McCormick		FRCC	FMPA	Tim Beyrle	City of New Smyrna Beach Utilities Commission	4	FRCC
					Jim Howard	Lakeland Electric	5	FRCC
					Lynne Mila	City of Clewiston	4	FRCC
					Javier Cisneros	Fort Pierce Utilities Authority	3	FRCC
					Randy Hahn	Ocala Utility Services	3	FRCC
					Don Cuevas	Beaches Energy Services	1	FRCC
					Jeffrey Partington	Keys Energy Services	4	FRCC
					Tom Reedy	Florida Municipal Power Pool	6	FRCC
					Steven Lancaster	Beaches Energy Services	3	FRCC
					Mike Blough	Kissimmee Utility Authority	5	FRCC
					Chris Adkins	City of Leesburg	3	FRCC
	Ginny Beigel	City of Vero Beach	3	FRCC				
DTE Energy - Detroit	Karie Barczak	3			Jeffrey Depriest	DTE Energy - DTE Electric	5	RF

Edison Company				DTE Energy - DTE Electric	Daniel Herring	DTE Energy - DTE Electric	4	RF
					Karie Barczak	DTE Energy - DTE Electric	3	RF
Southern Company - Southern Company Services, Inc.	Katherine Prewitt	1		Southern Company	Scott Moore	Alabama Power Company	3	SERC
					Bill Shultz	Southern Company Generation	5	SERC
					Jennifer Sykes	Southern Company Generation and Energy Marketing	6	SERC
Southwest Power Pool, Inc. (RTO)	Matthew Harward	2	MRO,SERC	SPP Standards Review Group	Matthew Harward	Southwest Power Pool, Inc.	2	MRO
					Shannon Mickens	Southwest Power Pool, Inc.	2	MRO
Northeast Power Coordinating Council	Ruida Shu	1,2,3,4,5,6,7,8,9,10	NPCC	RSC no Dominion	Guy V. Zito	Northeast Power Coordinating Council	10	NPCC
					Randy MacDonald	New Brunswick Power	2	NPCC
					Wayne Sipperly	New York Power Authority	4	NPCC
					Glen Smith	Entergy Services	4	NPCC
					Brian Robinson	Utility Services	5	NPCC
					Alan Adamson	New York State Reliability Council	7	NPCC

Edward Bedder	Orange & Rockland Utilities	1	NPCC
David Burke	Orange & Rockland Utilities	3	NPCC
Michele Tondalo	UI	1	NPCC
Laura Mcleod	NB Power	1	NPCC
David Ramkalawan	Ontario Power Generation Inc.	5	NPCC
Helen Lainis	IESO	2	NPCC
Michael Schiavone	National Grid	1	NPCC
Michael Jones	National Grid	3	NPCC
Michael Forte	Con Ed - Consolidated Edison	1	NPCC
Peter Yost	Con Ed - Consolidated Edison Co. of New York	3	NPCC
Sean Cavote	PSEG	4	NPCC
Kathleen Goodman	ISO-NE	2	NPCC
Quintin Lee	Eversource Energy	1	NPCC
Dermot Smyth	Con Ed - Consolidated Edison Co. of New York	1,5	NPCC



					Dermot Smyth	Con Ed - Consolidated Edison Co. of New York	1,5	NPCC
					Salvatore Spagnolo	New York Power Authority	1	NPCC
					Shivaz Chopra	New York Power Authority	6	NPCC
					David Kiguel	Independent	NA - Not Applicable	NPCC
					Silvia Mitchell	NextEra Energy - Florida Power and Light Co.	6	NPCC
					Caroline Dupuis	Hydro Quebec	1	NPCC
					Chantal Mazza	Hydro Quebec	2	NPCC
					Gregory Campoli	New York Independent System Operator	2	NPCC
					Paul Malozewski	Hydro One Networks, Inc.	3	NPCC
Dominion - Dominion Resources, Inc.	Sean Bodkin	6		Dominion	Connie Lowe	Dominion - Dominion Resources, Inc.	3	NA - Not Applicable
					Lou Oberski	Dominion - Dominion Resources, Inc.	5	NA - Not Applicable

					Larry Nash	Dominion - Dominion Virginia Power	1	NA - Not Applicable
PPL - Louisville Gas and Electric Co.	Shelby Wade	3,5,6	RF,SERC	Louisville Gas and Electric Company and Kentucky Utilities Company	Charles Freibert	PPL - Louisville Gas and Electric Co.	3	SERC
					Dan Wilson	PPL - Louisville Gas and Electric Co.	5	SERC
					Linn Oelker	PPL - Louisville Gas and Electric Co.	6	SERC

**1. Do you agree with the revisions to Section 4.4.2 of the SPM to clarify that drafting teams may develop and post supporting technical documents to help explain or facilitate understanding of draft Reliability Standard(s) or associated element(s)?**

**Katherine Prewitt - Southern Company - Southern Company Services, Inc. - 1, Group Name Southern Company**

**Answer** No

**Document Name**

**Comment**

The revisions to Section 4.4.2 clarify what drafting teams may develop and post. However, the draft text introduces confusion regarding the term “technical rationale.” Consider the draft text within the context of the proposed description of a “Reference” document, as provided in Section 11.1: Types of Supporting Technical Documents, “Descriptive, technical information or analysis or explanatory information to support the understanding of an approved Reliability Standard.

Southern notes that “technical rationale” is distinct and not the same as “technical information.” The draft text is confusing with respect to whether the SPM revision team is attempting to (1) allow “technical rationale” to stand alone as a separate type of document or (2) imply the inclusion of “technical rationale” in the aforementioned description of a “Reference” document. If the intent is to allow “technical rationale” to stand alone, the SPM revision team should consider the following suggested text, “These supporting technical documents may include, among other things: (1) reference documents designed to provide the drafting team’s technical rationale, technical information, analysis, or explanatory information to support the understanding of the draft Reliability Standard or related element...” This suggested language does not conflate “technical rationale” with “technical information” as provided in Section 11.1.

Likes 0

Dislikes 0

**Response**

Thank you for your comment. Technical rationale developed by standard drafting teams in accordance with Section 4.4.2 is not subject to Section 11. As provided in Section 11, “During the standard development process, standard drafting teams may develop and post supporting

technical documents to the pertinent project page, in accordance with Section 4.0. Following approval of the Reliability Standard, those documents may be posted alongside the standard without requiring separate Standards Committee authorization under this Section.”

**Daniel Mason - Portland General Electric Co. - 6**

**Answer**

No

**Document Name**

**Comment**

Section 4.4.2 is unclear about what the process is for commenting on or challenging such postings. The ability to challenge posted supporting technical documents is critical since per Section 11.0 establishes that supporting technical documents posted by the Standards Drafting Teams may be posted along side approved Standards without further approvals. As such they become a defacto part of the Standard development record used going forward to interpret the Standard.

Likes 0

Dislikes 0

**Response**

Thank you for your comment. Proposed Section 4.4.2 clarifies, consistent with current practice, that standard drafting teams may develop technical documents to support proposed Reliability Standards as part of the standard development process. Stakeholders may provide comments during formal or informal comment periods. These documents, as well as any stakeholder comments or concerns and any responses thereto, become part of the standard development record.

**Thomas Foltz - AEP - 5**

**Answer**

Yes

**Document Name**

**Comment**

When posting supporting technical documents is believed to be necessary, care should be taken to afford industry sufficient opportunity to review and develop meaningful input. Such documentation is often highly technical and voluminous, and the turnaround time provided for informal comment periods may not be sufficient, especially when accompanying drafts of new or revised standards.

Likes 1	Utility Services, Inc., 4, Evans-Mongeon Brian
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Dislikes 0	
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**Response**

Thank you for your comment.

**Chris Scanlon - Exelon - 1**

Answer	Yes
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Document Name	
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**Comment**

Exelon encourages NERC / TRAG to develop guidance and a template that will facilitate a consistent format for Technical Rational.

Likes 1	Utility Services, Inc., 4, Evans-Mongeon Brian
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Dislikes 0	
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**Response**

Thank you for your comment. As part of the Technical Rationale for Reliability Standards project, guidance and a standard template will be developed.

**Maryanne Darling-Reich - Black Hills Corporation - 1,3,5,6 - WECC**

Answer	Yes
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Document Name	
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**Comment**

The supporting documents providing rationale and or clarification independent of the standard itself is acceptable. The concern BHP has, is the ready accessibility of the supporting documents.	
Likes 1	Utility Services, Inc., 4, Evans-Mongeon Brian
Dislikes 0	
<b>Response</b>	
Thank you for your comment. Options are currently being explored to improve accessibility of supporting documents, such as through the Standards One Stop Shop.	
<b>Donald Sievertson - Los Angeles Department of Water and Power - 5</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
It is very helpfull to clairfy the standard wheen needed	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you for your comment.	
<b>Marty Hostler - Northern California Power Agency - 5,6</b>	
Answer	Yes
Document Name	
<b>Comment</b>	

If said supporting technical documents are developed by the drafting team and included with the standard than NERC should require Regional Entities to consider said guidance during audit. Thus, Regional Entities should not just be auditing to the letter of the standard if the drafting team developed other guidance.

Likes 0

Dislikes 0

**Response**

Thank you for your comment. Section 4.4.2 contemplates the development of technical documents to help support the understanding of proposed Reliability Standards. Technical rationale is separate from the standard; it is not an element of a standard, nor is it included in the Reliability Standard template. See the Technical Rationale for Reliability Standards policy, endorsed by the Standards Committee on June 14, 2017, available [here](#). Technical rationale is informative, but it is not afforded the deference that is given to ERO-endorsed compliance or implementation guidance. Standard drafting teams may choose to develop compliance or implementation guidance and seek ERO endorsement in accordance with the Compliance Monitoring and Enforcement Program processes for such guidance.

**Dennis Sismaet - Northern California Power Agency - 5,6**

**Answer**

Yes

**Document Name**

**Comment**

If said supporting technical documents are developed by the drafting team and included with the standard then NERC should require Regional Entities to consider said guidance during audit. Thus, Regional Entities should not just be auditing to the letter of the standard if the drafting team developed other guidance.

Likes 0

Dislikes 0

**Response**

**Response**

Thank you for your comment. Section 4.4.2 contemplates the development of technical documents to help support the understanding of proposed Reliability Standards. Technical rationale are separate from the standard; it is not an element of a standard, nor is it included in the Reliability Standard template. See the Technical Rationale for Reliability Standards policy, endorsed by the Standards Committee on June 14, 2017, available [here](#). Technical rationale is informative, but it is not afforded the deference that is given to ERO-endorsed compliance or implementation guidance. Standard drafting teams may choose to develop compliance or implementation guidance and seek ERO endorsement in accordance with the Compliance Monitoring and Enforcement Program processes for such guidance.

<b>Answer</b>	Yes
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<b>Document Name</b>	
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<b>Comment</b>	
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Likes 0	
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Dislikes 0	
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<b>Response</b>	
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**Steve Floyd - Granite Shore Power - 5 - NPCC**

<b>Answer</b>	Yes
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<b>Document Name</b>	
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<b>Comment</b>	
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Likes 0	
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Dislikes 0	
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<b>Response</b>	
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**Rachel Coyne - Texas Reliability Entity, Inc. - 10**



<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Richard Jackson - U.S. Bureau of Reclamation - 1</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Karie Barczak - DTE Energy - Detroit Edison Company - 3, Group Name DTE Energy - DTE Electric</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	

Dislikes	0
<b>Response</b>	
Glen Farmer - Avista - Avista Corporation - 1,3,5	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
Leonard Kula - Independent Electricity System Operator - 2	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
Kelsi Rigby - APS - Arizona Public Service Co. - 5	
Answer	Yes

<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Shelby Wade - PPL - Louisville Gas and Electric Co. - 3,5,6 - SERC, Group Name</b> Louisville Gas and Electric Company and Kentucky Utilities Company	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Sean Bodkin - Dominion - Dominion Resources, Inc. - 6, Group Name</b> Dominion	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	

Dislikes 0	
<b>Response</b>	
<b>Dennis Chastain - Tennessee Valley Authority - 1,3,5,6 - SERC</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Charles Yeung - Southwest Power Pool, Inc. (RTO) - 2</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	

**Douglas Webb - Douglas Webb On Behalf of: Harold Wyble, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; James McBee, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; Jennifer Flandermeyer, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; John Carlson, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; - Douglas Webb**

<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	

**Response**

**Ruida Shu - Northeast Power Coordinating Council - 1,2,3,4,5,6,7,8,9,10 - NPCC, Group Name RSC no Dominion**

<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	

**Response**

**David Ramkalawan - Ontario Power Generation Inc. - 5**

<b>Answer</b>	Yes
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<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Scott McGough - Georgia System Operations Corporation - 3</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Hien Ho - Tacoma Public Utilities (Tacoma, WA) - 4</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	

<b>Response</b>	
<b>Brandon McCormick - Brandon McCormick On Behalf of: Jeffrey Partington, Keys Energy Services, 4; Ken Simmons, Gainesville Regional Utilities, 3, 1, 5; Neville Bowen, Ocala Utility Services, 3; Tom Reedy, Florida Municipal Power Pool, 6; - Brandon McCormick, Group Name FMPA</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
<b>Matthew Harward - Southwest Power Pool, Inc. (RTO) - 2 - MRO,SERC, Group Name SPP Standards Review Group</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
<b>Richard Vine - California ISO - 2</b>	

<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
The California ISO supports the comments of the ISO/RTO Council Standards Review Committee (SRC)	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you. NERC has not received comments from the ISO/RTO Council Standards Review Committee for this posting.	



**2. Do you agree that the proposed reorganization of Sections 4.12-4.14 clarifies the existing process for posting and balloting Reliability Standards and responding to comments?**

**Matthew Harward - Southwest Power Pool, Inc. (RTO) - 2 - MRO,SERC, Group Name SPP Standards Review Group**

**Answer** No

**Document Name**

**Comment**

Section 4.12 is not sufficiently clear whether the test for conclusion of the process is intended to be triggered by all three factors, or if satisfaction of one or more is sufficient to terminate the drafting process. If the intent is for any one of the factors to trigger conclusion of the process, the SPP Standards Review Group (“SSRG”) suggests the following edit or something similar in form:

“The Standards Committee has the authority to conclude this process for a particular Reliability Standards action if the Standards Committee determines that the drafting team cannot develop a Reliability Standard that meets at least one of the following factors: (i) the proposed Reliability Standard is within the scope of the associated SAR, (ii) the proposed Reliability Standard is sufficiently clear to be enforceable, or (iii) the proposed Reliability Standard achieves the requisite weighted Segment approval percentage.”

Likes 0

Dislikes 0

**Response**

Thank you for your comment. The SPM revisions team is not proposing revisions to the cited text of Section 4.12 (other than to move its location in the SPM). The SPM revisions team believes the provision is sufficiently clear that the Standards Committee may stop the process if it becomes obvious that a drafting team cannot develop a Reliability Standard that meets the criteria to move forward.

**Donald Sievertson - Los Angeles Department of Water and Power - 5**

**Answer** Yes

<b>Document Name</b>	
<b>Comment</b>	
The proposed changes helps with organization	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you for your comment.	
<b>Daniel Mason - Portland General Electric Co. - 6</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Katherine Prewitt - Southern Company - Southern Company Services, Inc. - 1, Group Name Southern Company</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	

Dislikes	0
<b>Response</b>	
<p><b>Brandon McCormick - Brandon McCormick On Behalf of: Jeffrey Partington, Keys Energy Services, 4; Ken Simmons, Gainesville Regional Utilities, 3, 1, 5; Neville Bowen, Ocala Utility Services, 3; Tom Reedy, Florida Municipal Power Pool, 6; - Brandon McCormick, Group Name FMPA</b></p>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
<p><b>Hien Ho - Tacoma Public Utilities (Tacoma, WA) - 4</b></p>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	

**Scott McGough - Georgia System Operations Corporation - 3**

Answer Yes

Document Name

Comment

Likes 0

Dislikes 0

Response

**David Ramkalawan - Ontario Power Generation Inc. - 5**

Answer Yes

Document Name

Comment

Likes 0

Dislikes 0

Response

**Dennis Sismaet - Northern California Power Agency - 5,6**

Answer Yes

Document Name

Comment

Likes	0
Dislikes	0
<b>Response</b>	
<b>Marty Hostler - Northern California Power Agency - 5,6</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
<b>Ruida Shu - Northeast Power Coordinating Council - 1,2,3,4,5,6,7,8,9,10 - NPCC, Group Name RSC no Dominion</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	

**Douglas Webb - Douglas Webb On Behalf of: Harold Wyble, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; James McBee, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; Jennifer Flandermeyer, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; John Carlson, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; - Douglas Webb**

<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	

**Response**

**Charles Yeung - Southwest Power Pool, Inc. (RTO) - 2**

<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	

**Response**

**Dennis Chastain - Tennessee Valley Authority - 1,3,5,6 - SERC**

<b>Answer</b>	Yes
<b>Document Name</b>	

<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Sean Bodkin - Dominion - Dominion Resources, Inc. - 6, Group Name Dominion</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Shelby Wade - PPL - Louisville Gas and Electric Co. - 3,5,6 - SERC, Group Name Louisville Gas and Electric Company and Kentucky Utilities Company</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	

<b>Response</b>	
<b>Kelsi Rigby - APS - Arizona Public Service Co. - 5</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
<b>Leonard Kula - Independent Electricity System Operator - 2</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
<b>Glen Farmer - Avista - Avista Corporation - 1,3,5</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	



<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Maryanne Darling-Reich - Black Hills Corporation - 1,3,5,6 - WECC</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Karie Barczak - DTE Energy - Detroit Edison Company - 3, Group Name DTE Energy - DTE Electric</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	

<b>Richard Jackson - U.S. Bureau of Reclamation - 1</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
<b>Steve Floyd - Granite Shore Power - 5 - NPCC</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
<b>Chris Scanlon - Exelon - 1</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	

Likes	0
Dislikes	0
<b>Response</b>	
<b>John Seelke - LS Power Transmission, LLC - 1</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
<b>Richard Vine - California ISO - 2</b>	
Answer	
Document Name	
<b>Comment</b>	
The California ISO supports the comments of the ISO/RTO Council Standards Review Committee (SRC)	
Likes	0
Dislikes	0
<b>Response</b>	

Thank you. NERC has not received comments from the ISO/RTO Council Standards Review Committee for this posting.

<b>3. Do you have any other comments concerning Section 4.0 of the SPM?</b>	
<b>John Seelke - LS Power Transmission, LLC - 1</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Chris Scanlon - Exelon - 1</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Steve Floyd - Granite Shore Power - 5 - NPCC</b>	
<b>Answer</b>	No
<b>Document Name</b>	

**Comment**

Likes 0

Dislikes 0

**Response**

**Rachel Coyne - Texas Reliability Entity, Inc. - 10**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Richard Jackson - U.S. Bureau of Reclamation - 1**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

<b>Maryanne Darling-Reich - Black Hills Corporation - 1,3,5,6 - WECC</b>	
Answer	No
Document Name	
Comment	
Likes 0	
Dislikes 0	
Response	
<b>Glen Farmer - Avista - Avista Corporation - 1,3,5</b>	
Answer	No
Document Name	
Comment	
Likes 0	
Dislikes 0	
Response	
<b>Leonard Kula - Independent Electricity System Operator - 2</b>	
Answer	No
Document Name	
Comment	

Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Kelsi Rigby - APS - Arizona Public Service Co. - 5</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Shelby Wade - PPL - Louisville Gas and Electric Co. - 3,5,6 - SERC, Group Name Louisville Gas and Electric Company and Kentucky Utilities Company</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	



<b>Sean Bodkin - Dominion - Dominion Resources, Inc. - 6, Group Name Dominion</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
<b>Dennis Chastain - Tennessee Valley Authority - 1,3,5,6 - SERC</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
<b>Charles Yeung - Southwest Power Pool, Inc. (RTO) - 2</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	

Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Donald Sievertson - Los Angeles Department of Water and Power - 5</b>	
Answer	No
Document Name	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Douglas Webb - Douglas Webb On Behalf of: Harold Wyble, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; James McBee, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; Jennifer Flandermeyer, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; John Carlson, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; - Douglas Webb</b>	
Answer	No
Document Name	
<b>Comment</b>	
Likes 0	
Dislikes 0	

<b>Response</b>	
<b>Ruida Shu - Northeast Power Coordinating Council - 1,2,3,4,5,6,7,8,9,10 - NPCC, Group Name RSC no Dominion</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
<b>Marty Hostler - Northern California Power Agency - 5,6</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
<b>Dennis Sismaet - Northern California Power Agency - 5,6</b>	
<b>Answer</b>	No
<b>Document Name</b>	

<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>David Ramkalawan - Ontario Power Generation Inc. - 5</b>	
Answer	No
Document Name	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Scott McGough - Georgia System Operations Corporation - 3</b>	
Answer	No
Document Name	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	

<b>Hien Ho - Tacoma Public Utilities (Tacoma, WA) - 4</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
<b>Brandon McCormick - Brandon McCormick On Behalf of: Jeffrey Partington, Keys Energy Services, 4; Ken Simmons, Gainesville Regional Utilities, 3, 1, 5; Neville Bowen, Ocala Utility Services, 3; Tom Reedy, Florida Municipal Power Pool, 6; - Brandon McCormick, Group Name FMPA</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
<b>Matthew Harward - Southwest Power Pool, Inc. (RTO) - 2 - MRO,SERC, Group Name SPP Standards Review Group</b>	
<b>Answer</b>	No

<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
Katherine Prewitt - Southern Company - Southern Company Services, Inc. - 1, Group Name Southern Company	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
Daniel Mason - Portland General Electric Co. - 6	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	

<b>Response</b>	
<b>Karie Barczak - DTE Energy - Detroit Edison Company - 3, Group Name DTE Energy - DTE Electric</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
<b>Richard Vine - California ISO - 2</b>	
<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
The California ISO supports the comments of the ISO/RTO Council Standards Review Committee (SRC)	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you. NERC has not received comments from the ISO/RTO Council Standards Review Committee for this posting.	

**4. Do you agree that the revisions to Section 6.0 of the SPM clarify roles and responsibilities with respect to the conduct of field tests?**

**Daniel Mason - Portland General Electric Co. - 6**

**Answer** No

**Document Name**

**Comment**

Sections 6.1.2 and 6.1.4 addressing compliance waivers need to clarify that the appropriate Regional Entity will be included in any waiver notifications. This clarification is appropriate since by-in-large, the Regional Entity has the lead role in compliance monitoring and would need to know about Field Test-related compliance waivers.

Likes 0

Dislikes 0

**Response**

Thank you for your comment. NERC Compliance Monitoring and Enforcement Program staff would handle such coordination.

**Matthew Harward - Southwest Power Pool, Inc. (RTO) - 2 - MRO,SERC, Group Name SPP Standards Review Group**

**Answer** No

**Document Name**

**Comment**

A simple reference to either the SAR Drafting Team or a Standard Drafting Team could be very helpful to clarify roles and responsibilities with regards to conduct of field tests.

It is not clear whether the “drafting team” mentioned in Section 6, *et seq.*, refers to the SAR Drafting Team or the Reliability Standard Drafting Team and this has caused confusion during review of the proposed changes to the SPM. For example, the current draft of Section 6.0 contains two potentially conflicting terms. First, the section states that “[d]rafting teams are not required to...conduct a field test to validate a



Reliability Standard.” However, the section then states later that a field test can be initiated by a SAR. If a Standards Drafting Team is not required to perform a field test, may a Standard Drafting Team ignore the direction of a SAR that initiates a field test? The SSRG recommends the following edit to clarify the process:

Strike, modify, and move the following sentence to the end of Section 6.0: “Unless a field test is initiated by a SAR, a Standard Drafting Team is not required to collect and analyze data or to conduct a field test to validate a Reliability Standard.”

This general comment could apply to all references to “drafting team” contained in the SPM.

Likes	0
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Dislikes	0
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### Response

Thank you. The SPM revisions team has edited the first instance of “drafting team” to refer to “SAR or standard drafting team” for clarity. The cited language in the introduction to Section 6.0 is intended to clarify that not all projects will require the use of field tests, not that a standard drafting team may ignore the scope of a project as outlined in a properly-approved SAR.

**Brandon McCormick - Brandon McCormick On Behalf of: Jeffrey Partington, Keys Energy Services, 4; Ken Simmons, Gainesville Regional Utilities, 3, 1, 5; Neville Bowen, Ocala Utility Services, 3; Tom Reedy, Florida Municipal Power Pool, 6; - Brandon McCormick, Group Name FMPA**

Answer	No
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Document Name	
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### Comment

FMPA agrees with the following comments from LG&E/KU:

Louisville Gas and Electric Company and Kentucky Utilities Company (LG&E/KU) strongly supports the proposed revisions to section 6.1.2 to require the NERC Compliance Monitoring and Enforcement Program Staff to notify the affected Registered Entities of all compliance waiver determinations. However, to eliminate any ambiguity and clearly articulate this requirement, we suggest modifying the last sentence to:

“Staff shall notify the affected Registered Entities of all compliance waiver determinations *in writing at least thirty (30) days prior to the effective date of the determination.*”

Likes 0

Dislikes 0

**Response**

Thank you for your comment. While the SPM revisions team recognizes the concern, the team has not included the suggested language. This is because the SPM sets forth only standard processes. Issues related to the granting of compliance waivers and setting the terms and conditions of such waivers are compliance-related issues and are outside the scope of the standards process.

The SPM revisions team observes that entity concerns regarding compliance waivers, such as the length of time an entity may have to return to compliance after the termination of a field test or waiver, would be best addressed within the context of the individual field test. An entity could seek to clarify any specific issues or concerns regarding its waiver before it agrees to participate in the field test.

**Charles Yeung - Southwest Power Pool, Inc. (RTO) - 2**

Answer

No

Document Name

**Comment**

6.1.1 *“Prior to the drafting team conducting a field test, the drafting team must shall: (i) first receive approval from the lead NERC technical committee. Second, the drafting team must; and (ii) then receive approval from the Standards Committee.”*

This is the first mention the SC is involved with the Field Test. Does SC approval apply for both SAR and Standards field tests? The SC does not approve SARs, so does a SAR team need approval of SC to proceed with a field test if the SAR is not ready for SC review and acceptance? It may be better to outline the SAR field test approval process and Standards field test approval process if there needs to be differences.

6.1.3 *“During the field test, if NERC or the lead NERC technical committee overseeing the field test determines that the field test is creating a reliability risk to the Bulk Power System, NERC or the lead NERC technical committee shall:”*

“NERC” should be removed from this section. The field test is under the direction of a technical committee with the expertise to assess reliability risks if there are any. It is unclear how “NERC” or who in “NERC” beyond the technical committee would also be allowed to assess the reliability risk.

Also, if an entity impacted by the field test finds that a field test is creating an imminent reliability threat, this manual may be interpreted as one cannot deviate from the test until such time the technical committee acts. There should be a reference/reminder here that the operator/registered entity involved in a field test must always exercise its authority to ensure grid reliability regardless of the terms of a field test.

Likes 0

Dislikes 0

### Response

Thank you for your comments. The SPM revisions team responds as follows:

- The Standards Committee must approve any field test plan, regardless of when it is proposed during the standard development process. As drafted, the SPM revisions team believes the field test procedures are sufficiently flexible to describe the steps that must be taken for field test approval regardless of the standard development phase.
- Although it is expected that the technical committees will make these determinations in most cases, the addition of NERC to Section 6.1.3 formalizes the ability of NERC to terminate a stop a field test in the event a reliability risk is thought to be severe or particularly imminent. The SPM revisions team observes that this authority has effectively existed under the administration of compliance waivers.
- The SPM revisions team recognizes the concern, but declines to include the suggested language. Section 6 of the SPM describes the procedural roles and responsibilities of the technical committees, NERC staff, Standards Committee, and drafting team in the development, approval, and execution of field tests. The SPM revisions team believes that the obligations of an entity with respect to its participation in the field test are best addressed in the context of the individual field test.

**Sean Bodkin - Dominion - Dominion Resources, Inc. - 6, Group Name** Dominion

Answer

No

<b>Document Name</b>	
<b>Comment</b>	
Section 6.1.3 appears to provide NERC staff the ability to unilaterally stop or modify a field test. This authority should continue to reside in the stakeholder committees.	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you for your comment. Although it is expected that the technical committees will make these determinations in most cases, the addition of NERC to Section 6.1.3 formalizes the ability of NERC to terminate a stop a field test in the event a reliability risk is thought to be severe or particularly imminent. The SPM revisions team observes that this authority has effectively existed under the administration of compliance waivers.	
<b>Shelby Wade - PPL - Louisville Gas and Electric Co. - 3,5,6 - SERC, Group Name</b> Louisville Gas and Electric Company and Kentucky Utilities Company	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Louisville Gas and Electric Company and Kentucky Utilities Company (LG&E/KU) strongly supports the proposed revisions to section 6.1.2 to require the NERC Compliance Monitoring and Enforcement Program Staff to notify the affected Registered Entities of all compliance waiver determinations. However, to eliminate any ambiguity and clearly articulate this requirement, we suggest modifying the last sentence to: "Staff shall notify the affected Registered Entities of all compliance waiver determinations <i>in writing at least thirty (30) days prior to the effective date of the determination.</i> "	
Likes 0	
Dislikes 0	

**Response**

Thank you for your comment. While the SPM revisions team recognizes the concern, the team has not included the suggested language. This is because the SPM sets forth only standard processes. Issues related to the granting of compliance waivers and setting the terms and conditions of such waivers are compliance-related issues and are outside the scope of the standards process.

The SPM revisions team observes that entity concerns regarding compliance waivers, such as the length of time an entity may have to return to compliance after the termination of a field test or waiver, would be best addressed within the context of the individual field test. An entity could seek to clarify any specific issues or concerns regarding its waiver before it agrees to participate in the field test.

**Thomas Foltz - AEP - 5**

**Answer**

No

**Document Name**

**Comment**

Despite the provision in some cases for compliance waivers, it is still unclear from this section if field tests are mandatory, or instead, optional. It does state that the lead NERC technical committee will "identify potential test participants", but no insight is given if those identified are obligated in any way.

The text "The drafting team shall perform the field test" should be replaced by "The drafting team shall oversee and administrate the field test" as the drafting team members are not themselves performing the field tests.

Given the stated purpose and intent of field tests, it is not clear how (as stated in Section 6.1.4) a field test could or should ever "extend beyond the period of standard development." AEP disagrees with its inclusion and its allowance in Section 6.2 which includes "if the field test will continue beyond standard development."

Likes 0

Dislikes 0

**Response**

Thank you for your comment. Section 6.0 sets forth the procedural obligations applicable to the various entities responsible for developing, approving, and executing field tests. Section 6.0 has been revised to provide the requested clarity that entity participation in field tests is voluntary. With respect to your second comment, the SPM revisions team believes that the term “perform” is an appropriate term to describe the activity of the drafting team in this context. (The SPM contemplates that the technical committee will provide “oversight” of the field test.) With respect to your third comment, the team believes there is merit to allowing a field test to continue beyond the conclusion of formal standard development if, for example, such continuation could provide useful information regarding the implementation of a proposed Reliability Standard or approved, but not yet enforceable Reliability Standard.

**Dennis Sismaet - Northern California Power Agency - 5,6**

<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	

**Marty Hostler - Northern California Power Agency - 5,6**

<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	

<b>Donald Sievertson - Los Angeles Department of Water and Power - 5</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
It helps with organization	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you for your comment.	
<b>Katherine Prewitt - Southern Company - Southern Company Services, Inc. - 1, Group Name Southern Company</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Hien Ho - Tacoma Public Utilities (Tacoma, WA) - 4</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	

<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Scott McGough - Georgia System Operations Corporation - 3</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>David Ramkalawan - Ontario Power Generation Inc. - 5</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	



<b>Ruida Shu - Northeast Power Coordinating Council - 1,2,3,4,5,6,7,8,9,10 - NPCC, Group Name RSC no Dominion</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
<b>Douglas Webb - Douglas Webb On Behalf of: Harold Wyble, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; James McBee, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; Jennifer Flandermeyer, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; John Carlson, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; - Douglas Webb</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
<b>Dennis Chastain - Tennessee Valley Authority - 1,3,5,6 - SERC</b>	
<b>Answer</b>	Yes

<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Kelsi Rigby - APS - Arizona Public Service Co. - 5</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Leonard Kula - Independent Electricity System Operator - 2</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	

<b>Response</b>	
<b>Glen Farmer - Avista - Avista Corporation - 1,3,5</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
<b>Maryanne Darling-Reich - Black Hills Corporation - 1,3,5,6 - WECC</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
<b>Karie Barczak - DTE Energy - Detroit Edison Company - 3, Group Name DTE Energy - DTE Electric</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	

<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Richard Jackson - U.S. Bureau of Reclamation - 1</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Steve Floyd - Granite Shore Power - 5 - NPCC</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	

<b>Chris Scanlon - Exelon - 1</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
<b>John Seelke - LS Power Transmission, LLC - 1</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
<b>Richard Vine - California ISO - 2</b>	
<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	

The California ISO supports the comments of the ISO/RTO Council Standards Review Committee (SRC)

Likes 0

Dislikes 0

**Response**

Thank you. NERC has not received comments from the ISO/RTO Council Standards Review Committee for this posting.

<b>5. Do you have any other comments concerning Section 6.0 of the SPM?</b>	
<b>John Seelke - LS Power Transmission, LLC - 1</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Steve Floyd - Granite Shore Power - 5 - NPCC</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Richard Jackson - U.S. Bureau of Reclamation - 1</b>	
<b>Answer</b>	No
<b>Document Name</b>	

<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Karie Barczak - DTE Energy - Detroit Edison Company - 3, Group Name DTE Energy - DTE Electric</b>	
Answer	No
Document Name	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Maryanne Darling-Reich - Black Hills Corporation - 1,3,5,6 - WECC</b>	
Answer	No
Document Name	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	



<b>Glen Farmer - Avista - Avista Corporation - 1,3,5</b>	
Answer	No
Document Name	
Comment	
Likes 0	
Dislikes 0	
Response	
<b>Kelsi Rigby - APS - Arizona Public Service Co. - 5</b>	
Answer	No
Document Name	
Comment	
Likes 0	
Dislikes 0	
Response	
<b>Dennis Chastain - Tennessee Valley Authority - 1,3,5,6 - SERC</b>	
Answer	No
Document Name	
Comment	

Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Charles Yeung - Southwest Power Pool, Inc. (RTO) - 2</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Donald Sievertson - Los Angeles Department of Water and Power - 5</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	

**Douglas Webb - Douglas Webb On Behalf of: Harold Wyble, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; James McBee, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; Jennifer Flandermeyer, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; John Carlson, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; - Douglas Webb**

<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	

**Response**

**Dennis Sismaet - Northern California Power Agency - 5,6**

<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	

**Response**

**David Ramkalawan - Ontario Power Generation Inc. - 5**

<b>Answer</b>	No
<b>Document Name</b>	

<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Scott McGough - Georgia System Operations Corporation - 3</b>	
Answer	No
Document Name	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Hien Ho - Tacoma Public Utilities (Tacoma, WA) - 4</b>	
Answer	No
Document Name	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	

<b>Katherine Prewitt - Southern Company - Southern Company Services, Inc. - 1, Group Name Southern Company</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Daniel Mason - Portland General Electric Co. - 6</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Rachel Coyne - Texas Reliability Entity, Inc. - 10</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	

Texas RE inquires as to whether or not these Section 6 changes apply for Regional Reliability Standards.

Texas RE recommends including a general statement in the Standard Processes Manual pertaining to the official record of the Standard which should include the Field Test portion.

In Section 4.0 “Process for Developing, Modifying, Withdrawing or Retiring a Reliability Standard”, the flow diagram on page 15 does not reflect the changes proposed in Section 6 (e.g., Field Test before a SAR is finalized). Texas RE noticed there is no mention of Field Testing in Section 4 other than in the introductory paragraph. Should there be?

Likes 0

Dislikes 0

### Response

Thank you for your comments. The SPM revisions team responds as follows:

- The proposed changes apply to field tests for NERC Reliability Standards; field tests for regional standards would be governed in accordance with the processes adopted by the region.
- Any field test materials developed and posted to the NERC website under Section 6.2 would be included in the record of development, which is captured in footnote 31 as “other materials developed to support the development or approval of a Reliability Standard.”
- Field tests may be conducted either before the SAR is finalized or as part of development. As such, the SPM revisions team believes the flow chart remains accurate. As most projects do not involve a field test, the SPM revisions team does not propose to add new references to such tests in Section 4.0.

### Leonard Kula - Independent Electricity System Operator - 2

Answer Yes

Document Name

### Comment

We do not agree with inclusion of “NERC or” in Section 6.1.3, which says:

*“During the field test, if NERC or the lead NERC technical committee overseeing the field test determines that the field test is creating a reliability risk to the Bulk Power System, NERC or the lead NERC technical committee shall:”*

Filed tests are approved by the lead standing committee and the Standards Committee. Staff or NERC as a Corporation does not appear to be assigned any responsibility or authority in the approval process. When a field test is being conducted, any reliability concerns are detected or assessed by the entities conducting the field test. NERC or its staff does not appear to be involved in the actual conduct of the field test.

Therefore, we suggest to remove (NERC or) in the leading sentence of Section 6.1.3, and insert language to reflect the need for the entities conducting the field test to report to the leading standing committee overseeing the field test the reliability concerns, and request termination of the field test.

Likes 0

Dislikes 0

### Response

Thank you for your comment. NERC Staff are expected to provide significant support to drafting teams as well as technical committees, and CMEP Staff are responsible for approving any compliance waivers and the terms of such waivers.

Although it is expected that the technical committees will make the determination whether to terminate a field test in most cases, the addition of NERC to Section 6.1.3 formalizes the ability of NERC to terminate a stop a field test in the event a reliability risk is thought to be severe or particularly imminent. The SPM revisions team observes that this authority has effectively existed under the administration of compliance waivers.

**Shelby Wade - PPL - Louisville Gas and Electric Co. - 3,5,6 - SERC, Group Name** Louisville Gas and Electric Company and Kentucky Utilities Company

**Answer** Yes

**Document Name**

**Comment**

Section 6.1.3 appears to provide for the ability for NERC staff unilaterally to stop or modify the field test. It is not clear why the language “if NERC [staff] or” was inserted into this section of the revised draft since the last posting.

Likes 0

Dislikes 0

**Response**

Thank you for your comment. Although it is expected that the technical committees will make these determinations in most cases, the addition of NERC to Section 6.1.3 formalizes the ability of NERC to terminate a stop a field test in the event a reliability risk is thought to be severe or particularly imminent. The SPM revisions team observes that this authority has effectively existed under the administration of compliance waivers.

**Sean Bodkin - Dominion - Dominion Resources, Inc. - 6, Group Name Dominion**

**Answer** Yes

**Document Name**

**Comment**

Comments on the previous ballot of this section indicated that stakeholders would like to have specific timeframes for determinations of compliance waivers. A defined timeframe would provide transparency and certainty to field trial participants. This would not delay the process but rather provide a defined framework that stakeholders can rely upon to ensure that no reliability or compliance gaps are created during the field test process. Timeframes should be established for NERC to respond to stakeholders, especially on issues with compliance related to field testing a new concept. Dominion Energy recommends a 30 day timeframe.

Likes 0

Dislikes 0

**Response**



Thank you for your comment. While the SPM revisions team recognizes the concern, the team has not included the suggested language. This is because the SPM sets forth only standard processes. Issues related to the granting of compliance waivers and setting the terms and conditions of such waivers are compliance-related issues and are outside the scope of the standards process.

The SPM revisions team observes that entity concerns regarding compliance waivers, such as the length of time an entity may have to return to compliance after the termination of a field test or waiver, would be best addressed within the context of the individual field test. An entity could seek to clarify any specific issues or concerns regarding its waiver before it agrees to participate in the field test.

**Ruida Shu - Northeast Power Coordinating Council - 1,2,3,4,5,6,7,8,9,10 - NPCC, Group Name RSC no Dominion**

<b>Answer</b>	Yes
<b>Document Name</b>	

**Comment**

We do not agree with inclusion of “NERC or” in Section 6.1.3, which says: *“During the field test, if NERC or the lead NERC technical committee overseeing the field test determines that the field test is creating a reliability risk to the Bulk Power System, NERC or the lead NERC technical committee shall:”*

Filed tests are approved by the lead standing committee and the Standards Committee. Staff or NERC as a Corporation does not appear to be assigned any responsibility or authority in the approval process. When a field test is being conducted, any reliability concerns are detected or assessed by the entities conducting the field test. NERC or its staff does not appear to be involved in the actual conduct of the field test.

Therefore, we suggest to remove (NERC or) in the leading sentence of Section 6.1.3, and insert language to reflect the need for the entities conducting the field test to report to the leading standing committee overseeing the field test the reliability concerns, and request termination of the field test.

Likes	0
Dislikes	0

**Response**

Thank you for your comment. NERC Staff are expected to provide significant support to drafting teams as well as technical committees, and CMEP Staff are responsible for approving any compliance waivers and the terms of such waivers.

Although it is expected that the technical committees will make these determinations in most cases, the addition of NERC to Section 6.1.3 formalizes the ability of NERC to terminate a stop a field test in the event a reliability risk is thought to be severe or particularly imminent. The SPM revisions team observes that this authority has effectively existed under the administration of compliance waivers.

**Brandon McCormick - Brandon McCormick On Behalf of: Jeffrey Partington, Keys Energy Services, 4; Ken Simmons, Gainesville Regional Utilities, 3, 1, 5; Neville Bowen, Ocala Utility Services, 3; Tom Reedy, Florida Municipal Power Pool, 6; - Brandon McCormick, Group Name FMPA**

<b>Answer</b>	Yes
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<b>Document Name</b>	
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**Comment**

FMPA agrees with the following comments submitted by Dominion:

Comments on the previous ballot of this section indicated that stakeholders would like to have specific timeframes for determinations of compliance waivers. A defined timeframe would provide transparency and certainty to field trial participants. This would not delay the process but rather provide a defined framework that stakeholders can rely upon to ensure that no reliability or compliance gaps are created during the field test process. Timeframes should be established for NERC to respond to stakeholders, especially on issues with compliance related to field testing a new concept. Dominion Energy recommends a 30 day timeframe.

Likes	0
-------	---

Dislikes	0
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**Response**

Thank you for your comment. While the SPM revisions team recognizes the concern, the team has not included the suggested language. This is because the SPM sets forth only standard processes. Issues related to the granting of compliance waivers and setting the terms and conditions of such waivers are compliance-related issues and are outside the scope of the standards process.

The SPM revisions team observes that entity concerns regarding compliance waivers, such as the length of time an entity may have to return to compliance after the termination of a field test or waiver, would be best addressed within the context of the individual field test. An entity could seek to clarify any specific issues or concerns regarding its waiver before it agrees to participate in the field test.

**Matthew Harward - Southwest Power Pool, Inc. (RTO) - 2 - MRO,SERC, Group Name SPP Standards Review Group**

**Answer** Yes

**Document Name**

**Comment**

Section 6.1.2 should be clarified: (i) to require that necessary waivers be granted prior to an entity’s participation in the field test; and (ii) to the extent an entity is not granted a waiver, an acknowledgement that participation in the field test will not be a factor in determining the entity’s compliance with a currently effective standard. Because the decision to determine whether waivers are granted are not subject to specific criteria and are within the sole determination of NERC, there should be no additional compliance risk if no waiver is granted but later a violation is identified by the Compliance Enforcement Authority (“CEA”).

Additionally, although a waiver may be granted there may be unforeseen risks to the reliability of the Bulk Power System and, therefore, the SPM should contain a provision to allow the operator/registered entity involved in a field test to also be authorized to exercise its authority to ensure grid reliability regardless of the terms of a field test. The SSRG recommends the following edit to the language:

“During the field test, if NERC, the lead NERC technical committee overseeing the field test, or the Registered Entity participating in the field test, determines that the field test is creating a reliability risk to the Bulk Power System, either party shall:

- stop the activity;
- inform the Standards Committee that the activity was stopped; and
- if NERC or the lead technical committee is of the opinion a modification to the field test is necessary, provide a technical justification to the drafting team.

Likes 0

Dislikes 0

**Response**

Thank you for your comments. The team has not included the suggested language. This is because the SPM sets forth only standard processes. Compliance-related issues are subject to the NERC CMEP and are outside the scope of the standards process.

With respect to your second comment, the SPM revisions team recognizes the concern, but declines to include the suggested language. Section 6 of the SPM describes the procedural roles and responsibilities of the technical committees, NERC staff, Standards Committee, and drafting team in the development, approval, and execution of field tests. The SPM revisions team believes that the obligations of an entity with respect to its participation in the field test are best addressed in the context of the individual field test.

**Chris Scanlon - Exelon - 1**

<b>Answer</b>	Yes
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<b>Document Name</b>	
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<b>Comment</b>	
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Likes	0
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Dislikes	0
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**Response**

**Marty Hostler - Northern California Power Agency - 5,6**

<b>Answer</b>	Yes
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<b>Document Name</b>	
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<b>Comment</b>	
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Likes	0
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Dislikes	0
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<b>Response</b>	
<b>Richard Vine - California ISO - 2</b>	
<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
The California ISO supports the comments of the ISO/RTO Council Standards Review Committee (SRC)	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you. NERC has not received comments from the ISO/RTO Council Standards Review Committee for this posting.	

<b>6. Do you agree with the revisions to Section 7.0 of the SPM regarding the approval and rejection of interpretation requests?</b>	
<b>Daniel Mason - Portland General Electric Co. - 6</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Donald Sievertson - Los Angeles Department of Water and Power - 5</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
It provides a guideline for approval	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you for your comment.	
<b>Katherine Prewitt - Southern Company - Southern Company Services, Inc. - 1, Group Name Southern Company</b>	
<b>Answer</b>	Yes

<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
Matthew Harward - Southwest Power Pool, Inc. (RTO) - 2 - MRO,SERC, Group Name SPP Standards Review Group	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
Brandon McCormick - Brandon McCormick On Behalf of: Jeffrey Partington, Keys Energy Services, 4; Ken Simmons, Gainesville Regional Utilities, 3, 1, 5; Neville Bowen, Ocala Utility Services, 3; Tom Reedy, Florida Municipal Power Pool, 6; - Brandon McCormick, Group Name FMPA	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	

Likes	0
Dislikes	0
<b>Response</b>	
<b>Hien Ho - Tacoma Public Utilities (Tacoma, WA) - 4</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
<b>Scott McGough - Georgia System Operations Corporation - 3</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
<b>David Ramkalawan - Ontario Power Generation Inc. - 5</b>	



<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Dennis Sismaet - Northern California Power Agency - 5,6</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Marty Hostler - Northern California Power Agency - 5,6</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	

Dislikes	0
<b>Response</b>	
Ruida Shu - Northeast Power Coordinating Council - 1,2,3,4,5,6,7,8,9,10 - NPCC, Group Name RSC no Dominion	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
Douglas Webb - Douglas Webb On Behalf of: Harold Wyble, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; James McBee, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; Jennifer Flandermeyer, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; John Carlson, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; - Douglas Webb	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	

**Charles Yeung - Southwest Power Pool, Inc. (RTO) - 2**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Dennis Chastain - Tennessee Valley Authority - 1,3,5,6 - SERC**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Sean Bodkin - Dominion - Dominion Resources, Inc. - 6, Group Name Dominion**

**Answer** Yes

**Document Name**

**Comment**

Likes	0
Dislikes	0
<b>Response</b>	
<p><b>Shelby Wade - PPL - Louisville Gas and Electric Co. - 3,5,6 - SERC, Group Name</b> Louisville Gas and Electric Company and Kentucky Utilities Company</p>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
<p><b>Kelsi Rigby - APS - Arizona Public Service Co. - 5</b></p>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	

**Leonard Kula - Independent Electricity System Operator - 2**

Answer Yes

Document Name

Comment

Likes 0

Dislikes 0

Response

**Glen Farmer - Avista - Avista Corporation - 1,3,5**

Answer Yes

Document Name

Comment

Likes 0

Dislikes 0

Response

**Maryanne Darling-Reich - Black Hills Corporation - 1,3,5,6 - WECC**

Answer Yes

Document Name

Comment

Likes	0
Dislikes	0
<b>Response</b>	
<b>Karie Barczak - DTE Energy - Detroit Edison Company - 3, Group Name DTE Energy - DTE Electric</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
<b>Richard Jackson - U.S. Bureau of Reclamation - 1</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
<b>Rachel Coyne - Texas Reliability Entity, Inc. - 10</b>	

<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Steve Floyd - Granite Shore Power - 5 - NPCC</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Chris Scanlon - Exelon - 1</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	

Dislikes	0
<b>Response</b>	
<b>John Seelke - LS Power Transmission, LLC - 1</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
<b>Richard Vine - California ISO - 2</b>	
<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
The California ISO supports the comments of the ISO/RTO Council Standards Review Committee (SRC)	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you. NERC has not received comments from the ISO/RTO Council Standards Review Committee for this posting.	



<b>7. Do you agree that Interpretations should continue to be posted for comment and ballot in the same manner as Reliability Standards?</b>	
<b>Daniel Mason - Portland General Electric Co. - 6</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>John Seelke - LS Power Transmission, LLC - 1</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Donald Sievertson - Los Angeles Department of Water and Power - 5</b>	
<b>Answer</b>	Yes

<b>Document Name</b>	
<b>Comment</b>	
It deffinately is a usefull tool	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you for your comment.	
<b>Chris Scanlon - Exelon - 1</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Steve Floyd - Granite Shore Power - 5 - NPCC</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	

Dislikes	0
<b>Response</b>	
<b>Rachel Coyne - Texas Reliability Entity, Inc. - 10</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
<b>Richard Jackson - U.S. Bureau of Reclamation - 1</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
<b>Karie Barczak - DTE Energy - Detroit Edison Company - 3, Group Name DTE Energy - DTE Electric</b>	
Answer	Yes

<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Maryanne Darling-Reich - Black Hills Corporation - 1,3,5,6 - WECC</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Glen Farmer - Avista - Avista Corporation - 1,3,5</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	

**Response**

**Leonard Kula - Independent Electricity System Operator - 2**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Kelsi Rigby - APS - Arizona Public Service Co. - 5**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Shelby Wade - PPL - Louisville Gas and Electric Co. - 3,5,6 - SERC, Group Name** Louisville Gas and Electric Company and Kentucky Utilities Company

**Answer** Yes

<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Sean Bodkin - Dominion - Dominion Resources, Inc. - 6, Group Name Dominion</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Dennis Chastain - Tennessee Valley Authority - 1,3,5,6 - SERC</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	

<b>Response</b>	
<b>Charles Yeung - Southwest Power Pool, Inc. (RTO) - 2</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
<b>Douglas Webb - Douglas Webb On Behalf of: Harold Wyble, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; James McBee, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; Jennifer Flandermeyer, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; John Carlson, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; - Douglas Webb</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
<b>Ruida Shu - Northeast Power Coordinating Council - 1,2,3,4,5,6,7,8,9,10 - NPCC, Group Name RSC no Dominion</b>	

<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Marty Hostler - Northern California Power Agency - 5,6</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Dennis Sismaet - Northern California Power Agency - 5,6</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	



Dislikes 0	
<b>Response</b>	
<b>David Ramkalawan - Ontario Power Generation Inc. - 5</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Scott McGough - Georgia System Operations Corporation - 3</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Hien Ho - Tacoma Public Utilities (Tacoma, WA) - 4</b>	
Answer	Yes

<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
Brandon McCormick - Brandon McCormick On Behalf of: Jeffrey Partington, Keys Energy Services, 4; Ken Simmons, Gainesville Regional Utilities, 3, 1, 5; Neville Bowen, Ocala Utility Services, 3; Tom Reedy, Florida Municipal Power Pool, 6; - Brandon McCormick, Group Name FMPA	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
Matthew Harward - Southwest Power Pool, Inc. (RTO) - 2 - MRO,SERC, Group Name SPP Standards Review Group	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	

Likes	0
Dislikes	0
<b>Response</b>	
Katherine Prewitt - Southern Company - Southern Company Services, Inc. - 1, Group Name Southern Company	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
Richard Vine - California ISO - 2	
Answer	
Document Name	
<b>Comment</b>	
The California ISO supports the comments of the ISO/RTO Council Standards Review Committee (SRC)	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you. NERC has not received comments from the ISO/RTO Council Standards Review Committee for this posting.	



**8. Do you have any other comments concerning Section 7.0 of the SPM?**

**Daniel Mason - Portland General Electric Co. - 6**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Katherine Prewitt - Southern Company - Southern Company Services, Inc. - 1, Group Name Southern Company**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Hien Ho - Tacoma Public Utilities (Tacoma, WA) - 4**

**Answer** No

**Document Name**

<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Scott McGough - Georgia System Operations Corporation - 3</b>	
Answer	No
Document Name	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>David Ramkalawan - Ontario Power Generation Inc. - 5</b>	
Answer	No
Document Name	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	

<b>Dennis Sismaet - Northern California Power Agency - 5,6</b>	
Answer	No
Document Name	
Comment	
Likes 0	
Dislikes 0	
Response	
<b>Marty Hostler - Northern California Power Agency - 5,6</b>	
Answer	No
Document Name	
Comment	
Likes 0	
Dislikes 0	
Response	
<b>Ruida Shu - Northeast Power Coordinating Council - 1,2,3,4,5,6,7,8,9,10 - NPCC, Group Name RSC no Dominion</b>	
Answer	No
Document Name	
Comment	

Likes	0
Dislikes	0
<b>Response</b>	
<p><b>Douglas Webb - Douglas Webb On Behalf of: Harold Wyble, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; James McBee, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; Jennifer Flandermeyer, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; John Carlson, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; - Douglas Webb</b></p>	
Answer	No
Document Name	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
<p><b>Donald Sievertson - Los Angeles Department of Water and Power - 5</b></p>	
Answer	No
Document Name	
<b>Comment</b>	
Likes	0
Dislikes	0



**Response**

**Dennis Chastain - Tennessee Valley Authority - 1,3,5,6 - SERC**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Sean Bodkin - Dominion - Dominion Resources, Inc. - 6, Group Name Dominion**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Kelsi Rigby - APS - Arizona Public Service Co. - 5**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Leonard Kula - Independent Electricity System Operator - 2**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Glen Farmer - Avista - Avista Corporation - 1,3,5**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

<b>Maryanne Darling-Reich - Black Hills Corporation - 1,3,5,6 - WECC</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
<b>Karie Barczak - DTE Energy - Detroit Edison Company - 3, Group Name DTE Energy - DTE Electric</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
<b>Richard Jackson - U.S. Bureau of Reclamation - 1</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	

Likes	0
Dislikes	0
<b>Response</b>	
<b>Rachel Coyne - Texas Reliability Entity, Inc. - 10</b>	
Answer	No
Document Name	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
<b>Steve Floyd - Granite Shore Power - 5 - NPCC</b>	
Answer	No
Document Name	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	

<b>Chris Scanlon - Exelon - 1</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
<b>Matthew Harward - Southwest Power Pool, Inc. (RTO) - 2 - MRO,SERC, Group Name SPP Standards Review Group</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
How does NERC propose to post/notice FERC approved Interpretations to ensure transparency and notice to responsible entities? The SPM provides that approved Interpretations “shall stand” until incorporated into future SARs or the standard is retired, but does not provide direction how the Interpretation will be posted or tied to the applicable Reliability Standard. The SSRG recommends adding clarification and a mechanism to assure transparency.	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you for your comment. When an Interpretation is developed, the language is added to the document containing the Reliability Standard that it interprets. The document containing the Reliability Standard with the Interpretation is assigned a new standard version number (e.g., “MOD-001-1” becomes “MOD-001-1a”). Following NERC Board of Trustees approval, the document is then posted to the	

Standards section of the NERC website, filtered by status (e.g., Pending Regulatory Filing, Filed and Pending Regulatory Approval, Subject to Future Enforcement, Mandatory and Enforceable, Inactive).

**Brandon McCormick - Brandon McCormick On Behalf of: Jeffrey Partington, Keys Energy Services, 4; Ken Simmons, Gainesville Regional Utilities, 3, 1, 5; Neville Bowen, Ocala Utility Services, 3; Tom Reedy, Florida Municipal Power Pool, 6; - Brandon McCormick, Group Name FMPA**

**Answer** Yes

**Document Name**

**Comment**

FMPA agrees with the following comments submitted by LG&E/KU:

Figure 2: Process for Developing an Interpretation is not referenced in the text of Section 7. In addition to referencing Figure 2 in the text of Section 7, it may be beneficial to number the steps directly in Section 7 to ensure there are no discrepancies between the words of Section 7 and the figure

Likes 0

Dislikes 0

**Response**

Thank you for your comment. The SPM revisions team does not believe the suggested changes add clarity.

**Shelby Wade - PPL - Louisville Gas and Electric Co. - 3,5,6 - SERC, Group Name Louisville Gas and Electric Company and Kentucky Utilities Company**

**Answer** Yes

**Document Name**

**Comment**

Figure 2: Process for Developing an Interpretation is not referenced in the text of Section 7. In addition to referencing Figure 2 in the text of Section 7, it may be beneficial to number the steps directly in Section 7 to ensure there are no discrepancies between the words of Section 7 and the figure.

Likes	0
Dislikes	0
<b>Response</b>	
Thank you for your comment. The SPM revisions team does not believe the suggested changes add clarity.	
<b>Thomas Foltz - AEP - 5</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Section 7.1 The text "A valid Interpretation may not alter the scope or language of a Requirement" should instead state "A valid Interpretation may not alter the scope, language, or intent of a Requirement."	
Section 7.2.2 It is unclear why text was struck regarding the formation of the ballot pool. As the section now reads, it is unclear how or when a ballot pool for the Interpretation request is ever established.	
Likes	0
Dislikes	0
<b>Response</b>	

Thank you for your comments. With respect to Section 7.1, the SPM revisions team does not believe the suggested language adds clarity. With respect to Section 7.2.2, ballot pool formation is now addressed in Section 7.2.3 (“Interpretations shall be balloted in the same manner as Reliability Standards (see Section 4.0).”) Section 4.8 of the SPM specifically addresses the formation of ballot pools. Additional clarity is provided in Step 6 of Figure 2.

**John Seelke - LS Power Transmission, LLC - 1**

<b>Answer</b>	Yes
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<b>Document Name</b>	
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**Comment**

LSPT believes that Section 7: Process for Developing an Interpretation should be changed by modifying the NERC Rules of Procedure (“ROP”) definition of “Interpretation” to include all mandatory and enforceable components of a Reliability Standard. In addition, Section 7 does not require the NERC Staff to respond to an Interpretation request within a defined timeframe. The SPM team should clarify whether it believes Section 8 applies to a NERC Staff delay in responding to an Interpretation request.

**Mandatory and Enforceable Components of a Reliability Standard**

The last paragraph in Section 2.5 of the proposed SPM clean version states:

“The only mandatory and enforceable components of a Reliability Standard are the: (1) applicability, (2) Requirements, and the (3) effective dates.”

The definition of “Interpretation” in Appendix 2 of the NERC’s ROP is excerpted below. It is not a NERC Glossary term.

“Interpretation” means an addendum to a Reliability Standard, developed in accordance with the NERC Standard Processes Manual and approved by the Applicable Governmental Authority(ies), that provides additional clarity about one or more Requirements in the Reliability Standard.

Section 7 addressed only one of the three mandatory elements of a Reliability Standard. There is no other forum within NERC that allows a Registered Entity to get the same clarity for the applicability or the effective dates associated with a standard. If the definition of



“Interpretation” was changed to include both the “applicability” and “effective date” of a standard, then those requests could be addressed in proposed Section 7 of the SPM.

### **Changing the Definition of “Interpretation”**

A definition change requires an amendment to Appendix 2 of ROP, which may be done per Section 1400. Section 1401, excerpted below, addresses who may initiate a change to the ROP.

#### **1401. Proposals for Amendment or Repeal of Rules of Procedure**

In accordance with the Bylaws of NERC, requests to amend or repeal the Rules of Procedure may be submitted by (1) any fifty Members of NERC, which number shall include Members from at least three membership Sectors, (2) the Member Representatives Committee, (3) a committee of NERC to whose function and purpose the Rule of Procedure pertains, or (4) an officer of NERC.

Per NERC’s [Organization Chart](#), the Standards Committee may propose a change per Section 1401, item (3). The SPM team should develop a new definition of “Interpretation” concurrent and post it for comments in a subsequent draft SPM that modifies the 6/25/18 posting. The next posting should also modify Section 7 to accommodate the new definition. Comments should be requested on both the new definition and accompanying Section 7 changes.

While a new “Interpretation” definition would be proposed by the Standards Committee under the Section 1400 process, its effective date should be tied to the effective date of the approval of a revised SPM that uses the new definition. Both SPM changes and the new ROP definition would be submitted by the Standards Committee to the NERC Board for its approval, and, if approved, by NERC to Applicable Governmental Authorities. This may be accomplished in a single filing.

### **NERC Staff Response to an Interpretation Request**

In Section 7, NERC Staff receives all Interpretation requests and make a recommendation to the Standards Committee to accept or reject the request. Section 7 has no timetable for action by NERC Staff. Under Section 8.0: Process for Appealing an Action or Inaction, inactions can be appealed at any time. Does the SPM team consider Section 8 as possible remedy for inaction by NERC Staff on an Interpretation request? The SPM team should clarify whether Section 8 applies to inaction by NERC staff delay in responding to an Interpretation request. If it does not apply, the SPM team should explain its reasoning.

Likes 0

Dislikes 0

**Response**

Thank you for your comments. With respect to your first set of comments, the SPM revisions team believes that Section 7 and the definition of Interpretation provide an appropriate scope for Interpretations, and that NERC and the Regional Entities are the appropriate bodies to provide guidance and resolve ambiguities regarding implementation plan and standard applicability issues. Therefore, the SPM revisions team disagrees with the need to revise the definition of the term Interpretation and the suggested changes related to expanding the scope of Interpretations in Section 7.

With respect to the second set of comments, Section 7 does not specify the timetable under which NERC Staff must act in reviewing an Interpretation request. The SPM Revisions team considered including one, but it ultimately determined that regular status reporting would provide a more efficient and effective approach to promoting efficiency and timeliness in responding to Interpretation requests.

With respect to the last comment, Section 8.0 of the SPM describes the circumstances under which an entity would have a right to appeal a procedural action or inaction. The SPM revisions team makes no representation regarding whether an entity should bring an appeal in a given case, or whether such an appeal would be successful.

**Charles Yeung - Southwest Power Pool, Inc. (RTO) – 2**

**Answer**

**Document Name**

**Comment**

1. Sec 7.2.3

*“If an Interpretation drafting team recommends a modification to a Reliability Standard based on its work in developing the Interpretation, the Board of Trustees shall be notified of this recommendation at the time the Interpretation is submitted for adoption. Following Board of Trustees adoption, the Interpretation shall be filed with the Applicable Governmental Authorities, and the Interpretation shall become effective when approved by those Applicable Governmental Authorities. The Interpretation shall stand until it can be incorporated into a future revision of the Reliability Standard is approved or the Interpretation is retired due to a future modification of the applicable Requirement.”*

The wording “*until it can be incorporated...*” should be removed. Although it may be appropriate that the interpretation be incorporated into the standard, it must be done through the open standards development process. The wording can be misunderstood that the industry has no alternative but to incorporate that interpretation into the standard without discussion. If so, it potentially circumvents the ANSI process for modification of an existing standard. If the Board adopts the interpretation team’s interpretation and the SPM language requires the interpretation be incorporated into the standard verbatim, then the industry is denied the opportunity to debate that interpretation through the ANSI process. It should be clearly stated that an interpretation which recommends a SAR to modify a standard is subject to industry approval of the final modifications.

Likes 0

Dislikes 0

**Response**

Thank you for your comment. The quoted language is not intended to bind future drafting teams or suggest that normal standard development procedures need not be followed when revising a Reliability Standard with an approved Interpretation. Future drafting teams remain free to modify the underlying Requirements as they see fit.

**Richard Vine - California ISO - 2**

**Answer**

**Document Name**

**Comment**

The California ISO supports the comments of the ISO/RTO Council Standards Review Committee (SRC)

Likes 0

Dislikes 0

**Response**

Thank you. NERC has not received comments from the ISO/RTO Council Standards Review Committee for this posting.

**9. Do you agree that the revisions to Section 9.0 of the SPM clarify that variances for the Quebec Interconnection may be developed through the NPCC regional standard development process?**

**Daniel Mason - Portland General Electric Co. - 6**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Dennis Chastain - Tennessee Valley Authority - 1,3,5,6 - SERC**

**Answer** Yes

**Document Name**

**Comment**

It would seem the last sentence of the fourth paragraph in section 9.1 might also need a minor edit to align with the added second paragraph

–

“NERC shall rebuttably presume that an Interconnection-wide Variance from a NERC Reliability Standard that is developed, in accordance with a Regional Reliability Standards development procedure approved by NERC, by a Regional Entity organized on an Interconnection-wide basis **[or that wholly contains an Interconnection]**, is just, reasonable, and not unduly discriminatory or preferential, and in the public interest.”

Likes 0

Dislikes	0
<b>Response</b>	
Thank you. The proposed revisions to this section are intended to address processes that may be followed to develop Variances for the Quebec Interconnection. The cited portion of Section 9 relates to presumptions afforded Regional Entities organized on an Interconnection-wide basis under United States law and regulation.	
<b>Donald Sievertson - Los Angeles Department of Water and Power - 5</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Agree, it is more revelant	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you for your comment.	
<b>John Seelke - LS Power Transmission, LLC - 1</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	

<b>Steve Floyd - Granite Shore Power - 5 - NPCC</b>	
Answer	Yes
Document Name	
Comment	
Likes	0
Dislikes	0
Response	
<b>Rachel Coyne - Texas Reliability Entity, Inc. - 10</b>	
Answer	Yes
Document Name	
Comment	
Likes	0
Dislikes	0
Response	
<b>Richard Jackson - U.S. Bureau of Reclamation - 1</b>	
Answer	Yes
Document Name	
Comment	

Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Karie Barczak - DTE Energy - Detroit Edison Company - 3, Group Name DTE Energy - DTE Electric</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Maryanne Darling-Reich - Black Hills Corporation - 1,3,5,6 - WECC</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	

**Glen Farmer - Avista - Avista Corporation - 1,3,5**

Answer	Yes
Document Name	
Comment	
Likes 0	
Dislikes 0	
Response	

**Leonard Kula - Independent Electricity System Operator - 2**

Answer	Yes
Document Name	
Comment	
Likes 0	
Dislikes 0	
Response	

**Kelsi Rigby - APS - Arizona Public Service Co. - 5**

Answer	Yes
Document Name	
Comment	



Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Shelby Wade - PPL - Louisville Gas and Electric Co. - 3,5,6 - SERC, Group Name</b> Louisville Gas and Electric Company and Kentucky Utilities Company	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Sean Bodkin - Dominion - Dominion Resources, Inc. - 6, Group Name</b> Dominion	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	

**Charles Yeung - Southwest Power Pool, Inc. (RTO) - 2**

<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	

**Response**

**Douglas Webb - Douglas Webb On Behalf of: Harold Wyble, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; James McBee, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; Jennifer Flandermeyer, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; John Carlson, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; - Douglas Webb**

<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	

**Response**

**Ruida Shu - Northeast Power Coordinating Council - 1,2,3,4,5,6,7,8,9,10 - NPCC, Group Name RSC no Dominion**

<b>Answer</b>	Yes
<b>Document Name</b>	

<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Marty Hostler - Northern California Power Agency - 5,6</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Dennis Sismaet - Northern California Power Agency - 5,6</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	

<b>David Ramkalawan - Ontario Power Generation Inc. - 5</b>	
Answer	Yes
Document Name	
Comment	
Likes 0	
Dislikes 0	
Response	
<b>Scott McGough - Georgia System Operations Corporation - 3</b>	
Answer	Yes
Document Name	
Comment	
Likes 0	
Dislikes 0	
Response	
<b>Hien Ho - Tacoma Public Utilities (Tacoma, WA) - 4</b>	
Answer	Yes
Document Name	
Comment	

Likes	0
Dislikes	0
<b>Response</b>	
<b>Brandon McCormick - Brandon McCormick On Behalf of: Jeffrey Partington, Keys Energy Services, 4; Ken Simmons, Gainesville Regional Utilities, 3, 1, 5; Neville Bowen, Ocala Utility Services, 3; Tom Reedy, Florida Municipal Power Pool, 6; - Brandon McCormick, Group Name FMPA</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
<b>Matthew Harward - Southwest Power Pool, Inc. (RTO) - 2 - MRO,SERC, Group Name SPP Standards Review Group</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0

<b>Response</b>	
<b>Katherine Prewitt - Southern Company - Southern Company Services, Inc. - 1, Group Name Southern Company</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
<b>Richard Vine - California ISO - 2</b>	
<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
The California ISO supports the comments of the ISO/RTO Council Standards Review Committee (SRC)	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you. NERC has not received comments from the ISO/RTO Council Standards Review Committee for this posting.	

<b>10. Do you agree that the revisions to Section 11.0 of the SPM clarify the scope and applicability of this section?</b>	
<b>Katherine Prewitt - Southern Company - Southern Company Services, Inc. - 1, Group Name</b> Southern Company	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Southern Company is concerned with the introduction of Lessons Learned in the SPM. If adopted, this will be the first instance of Lessons Learned being included in the SPM. The introductory remarks at Section 11.1 state that Lessons Learned can be posted alongside an approved Reliability Standard. It is not clear if this is the only purpose for including Lessons Learned and its description in the SPM. The SPM should clearly state that the SPM is not mandating a process for posting, developing and approving Lessons Learned. Existing statements on NERC’s website ( <a href="https://www.nerc.com/pa/rrm/Documents/Lessons_Learned_Quick_Reference_Guide.pdf">https://www.nerc.com/pa/rrm/Documents/Lessons_Learned_Quick_Reference_Guide.pdf</a> ) provide that Lessons Learned are created through collaboration between NERC, the Regions, and the registered entities. Additional text within the SPM will affirm the purpose.	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you for your comment. A “lessons learned” style document may be developed in a number of contexts; Section 11 provides a process by which the posting of stakeholder-developed documents designed to convey lessons learned related to approved Reliability Standards may be posted alongside the standard on the pertinent NERC website pages. The SPM does not purport to establish a new process for the development, posting, and approval of the Lessons Learned documents developed as part of NERC’s Events Analysis process.	
<b>Brandon McCormick - Brandon McCormick On Behalf of: Jeffrey Partington, Keys Energy Services, 4; Ken Simmons, Gainesville Regional Utilities, 3, 1, 5; Neville Bowen, Ocala Utility Services, 3; Tom Reedy, Florida Municipal Power Pool, 6; - Brandon McCormick, Group Name</b> FMPA	
<b>Answer</b>	No
<b>Document Name</b>	

**Comment**

FMPA agrees with the comments submitted by LG&E/KU:

In reviewing the comments submitted by the industry, LG&E/KU agrees with other commenters that section 11.2 should have some type of deadline for NERC Staff to make a determination on the criteria. We suggest within 90 days of receipt of the document.

We also believe that it should be the Standard Committee that ultimately decides whether or not a proposed document does or does not meet either the first or second criterion in section 11.2. Therefore, the language should provide that either the SC can override NERC staff's determination or that NERC staff shall make a recommendation to the SC for SC acceptance or rejection. This concept is supported by the proposed language in section 11.3 which states in part that *"NERC Staff shall present the supporting technical document to the NERC Standards Committee with a recommendation regarding whether the Standards Committee should approve posting the supporting technical document with the approved Reliability Standard on the pertinent NERC website page(s)."* Since the ultimate decision lies with the SC to approve posting of the document alongside the approved Reliability Standard, the SC should also make the final determinations regarding whether documents should move through the process or not.

Likes	0
Dislikes	0

**Response**

Thank you for your comments.

The SPM revisions team has not included a timeline for consideration of such documents in the SPM. The SPM revisions team agrees, however, that 90 days provides a reasonable time for review and has drafted a related guidance document to include this timeframe that is pending review and endorsement by the Standards Committee.

With respect to your second comment, it is appropriate for NERC staff to evaluate and remove from further consideration those proposed supporting documents that do not meet the two threshold criteria under Section 11.2: (1) whether the document is a Reference, Lessons Learned, or White Paper as described in Section 11; and (2) whether the document is consistent with the purpose and intent of the approved Reliability Standard that it purports to support. The Standards Committee will be informed of NERC's determination regarding these criteria and the basis for the decision. The Standards Committee will continue to be responsible for ensuring that any proposed technical document



has had adequate stakeholder review to verify the accuracy of its technical content before it is posted alongside the approved Reliability Standard.

**Dennis Sismaet - Northern California Power Agency - 5,6**

**Answer** No

**Document Name**

**Comment**

45-days for commenting is more appropriate.

Likes 0

Dislikes 0

**Response**

Thank you for your comment. The SPM revisions team has revised the language to provide that the initial posting shall be for 45 days, unless directed otherwise by the Standards Committee.

**Marty Hostler - Northern California Power Agency - 5,6**

**Answer** No

**Document Name**

**Comment**

45-days for commenting is more appropriate.

Likes 0

Dislikes 0

**Response**

Thank you for your comment. The SPM revisions team has revised the language to provide that the initial posting shall be for 45 days, unless directed otherwise by the Standards Committee.

**Shelby Wade - PPL - Louisville Gas and Electric Co. - 3,5,6 - SERC, Group Name** Louisville Gas and Electric Company and Kentucky Utilities Company

**Answer** No

**Document Name**

**Comment**

In reviewing the comments submitted by the industry, LG&E/KU agrees with other commenters that section 11.2 should have some type of deadline for NERC Staff to make a determination on the criteria. We suggest within 90 days of receipt of the document.

We also believe that it should be the Standard Committee that ultimately decides whether or not a proposed document does or does not meet either the first or second criterion in section 11.2. Therefore, the language should provide that either the SC can override NERC staff's determination or that NERC staff shall make a recommendation to the SC for SC acceptance or rejection. This concept is supported by the proposed language in section 11.3 which states in part that *"NERC Staff shall present the supporting technical document to the NERC Standards Committee with a recommendation regarding whether the Standards Committee should approve posting the supporting technical document with the approved Reliability Standard on the pertinent NERC website page(s)."* Since the ultimate decision lies with the SC to approve posting of the document alongside the approved Reliability Standard, the SC should also make the final determinations regarding whether documents should move through the process or not.

Likes 0

Dislikes 0

**Response**

Thank you for your comments.

The SPM revisions team has not included a timeline for consideration of such documents in the SPM. The SPM revisions team agrees, however, that 90 days provides a reasonable time for review and has drafted a related guidance document to include this timeframe that is pending review and endorsement by the Standards Committee.

With respect to your second comment, it is appropriate for NERC staff to evaluate and remove from further consideration those proposed supporting documents that do not meet the two threshold criteria under Section 11.2: (1) whether the document is a Reference, Lessons Learned, or White Paper as described in Section 11; and (2) whether the document is consistent with the purpose and intent of the approved Reliability Standard that it purports to support. The Standards Committee will be informed of NERC’s determination regarding these criteria and the basis for the decision. The Standards Committee will continue to be responsible for ensuring that any proposed technical document has had adequate stakeholder review to verify the accuracy of its technical content before it is posted alongside the approved Reliability Standard.

**Thomas Foltz - AEP - 5**

**Answer** No

**Document Name**

**Comment**

As provided in our feedback submitted in 2017, AEP once again disagrees with allowing only 30 day to provide comment. Supporting documentation, white papers for example, are often voluminous and/or fairly complex. The existing 45 day comment period is more appropriate than the proposed 30 days, and would allow industry to develop and provide more meaningful input. In its Consideration of Comments feedback last year, the team justified the proposed turnaround time by stating it provides "flexibility to the Standards Committee to direct a longer (or shorter) comment period depending on the nature and technical complexity of the proposed supporting document" and that it ensures "that any document to be posted as a supporting document has received adequate stakeholder review to assess its technical adequacy." We do not see any flexibility or allowance in this section for a longer comment period, and believe that 30 day comments period for these technical documents will not improve either the quality or amount of feedback that the drafting teams receive. This concern is the primary driver behind AEP’s decision to vote negative on the proposed revisions.

Likes 0

Dislikes 0

**Response**

Thank you for your comment. Section 11 has been revised to state that the initial posting of the proposed supporting document shall be for 45 days, unless directed otherwise by the Standards Committee. The SPM revisions team believes that this language continues to provide

flexibility to the Standards Committee to set an appropriate comment period based on the nature and complexity of the document, consistent with its prior proposal.

**Daniel Mason - Portland General Electric Co. - 6**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Charles Yeung - Southwest Power Pool, Inc. (RTO) - 2**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Donald Sievertson - Los Angeles Department of Water and Power - 5**

**Answer** Yes

**Document Name**

<b>Comment</b>	
it is helpfull with organization	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you for your comment.	
<b>Matthew Harward - Southwest Power Pool, Inc. (RTO) - 2 - MRO,SERC, Group Name SPP Standards Review Group</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Hien Ho - Tacoma Public Utilities (Tacoma, WA) - 4</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	

**Response**

**Scott McGough - Georgia System Operations Corporation - 3**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**David Ramkalawan - Ontario Power Generation Inc. - 5**

**Answer** Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Ruida Shu - Northeast Power Coordinating Council - 1,2,3,4,5,6,7,8,9,10 - NPCC, Group Name RSC no Dominion**

**Answer** Yes

**Document Name**

<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Douglas Webb - Douglas Webb On Behalf of: Harold Wyble, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; James McBee, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; Jennifer Flandermeyer, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; John Carlson, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; - Douglas Webb</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Dennis Chastain - Tennessee Valley Authority - 1,3,5,6 - SERC</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes 0	

Dislikes 0	
<b>Response</b>	
<b>Sean Bodkin - Dominion - Dominion Resources, Inc. - 6, Group Name Dominion</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Kelsi Rigby - APS - Arizona Public Service Co. - 5</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Leonard Kula - Independent Electricity System Operator - 2</b>	
<b>Answer</b>	Yes



<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Glen Farmer - Avista - Avista Corporation - 1,3,5</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Maryanne Darling-Reich - Black Hills Corporation - 1,3,5,6 - WECC</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	

<b>Response</b>	
<b>Karie Barczak - DTE Energy - Detroit Edison Company - 3, Group Name DTE Energy - DTE Electric</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
<b>Richard Jackson - U.S. Bureau of Reclamation - 1</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
<b>Steve Floyd - Granite Shore Power - 5 - NPCC</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	

**Comment**

Likes 0

Dislikes 0

**Response**

**Chris Scanlon - Exelon - 1**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**John Seelke - LS Power Transmission, LLC - 1**

**Answer**

Yes

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

<b>Richard Vine - California ISO - 2</b>	
<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
The California ISO supports the comments of the ISO/RTO Council Standards Review Committee (SRC)	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you. NERC has not received comments from the ISO/RTO Council Standards Review Committee for this posting.	

**11. Do you agree that no separate Standards Committee authorization should be required to post a supporting technical document developed by the standard drafting team alongside the approved Reliability Standard on the NERC website?**

**Shelby Wade - PPL - Louisville Gas and Electric Co. - 3,5,6 - SERC, Group Name** Louisville Gas and Electric Company and Kentucky Utilities Company

**Answer** No

**Document Name**

**Comment**

This question is confusing and seems to apply to Section 4.4.2 rather than section 11 as the question indicates "...developed by the standard drafting team...". It appears section 11 only applies to documents developed "by which any stakeholder may propose" and not "by the standard drafting team".

Likes 0

Dislikes 0

**Response**

Thank you for your comment. Section 11 applies to documents developed by any individual or entity (such as a stakeholder), but not the standard drafting team as provided under Section 4.4.2.

**Sean Bodkin - Dominion - Dominion Resources, Inc. - 6, Group Name** Dominion

**Answer** No

**Document Name**

**Comment**

The Standards Committee should have the ability to make a final determination of the posting of a document. As these are stakeholder developed documents associated with a stakeholder developed Reliability Standard, the final authority to post a document developed under

Setion 11 should reside with the stakeholder committee designated by the Board of Trustees to oversee the standards development process, the Standards Committee.

Likes 0

Dislikes 0

**Response**

Thank you for your comment. It is appropriate for NERC staff to evaluate and remove from further consideration those proposed supporting documents that do not meet the two threshold criteria under Section 11.2: (1) whether the document is a Reference, Lessons Learned, or White Paper as described in Section 11; and (2) whether the document is consistent with the purpose and intent of the approved Reliability Standard that it purports to support. The Standards Committee will be informed of NERC’s determination regarding these criteria and the basis for the decision. The Standards Committee will continue to be responsible for ensuring that any proposed technical document has had adequate stakeholder review to verify the accuracy of its technical content before it is posted alongside the approved Reliability Standard.

**Brandon McCormick - Brandon McCormick On Behalf of: Jeffrey Partington, Keys Energy Services, 4; Ken Simmons, Gainesville Regional Utilities, 3, 1, 5; Neville Bowen, Ocala Utility Services, 3; Tom Reedy, Florida Municipal Power Pool, 6; - Brandon McCormick, Group Name FMPA**

**Answer**

No

**Document Name**

**Comment**

FMPA agrees with the following comments submitted by Dominion:

The Standards Committee should have the ability to make a final determination of the posting of a document. As these are stakeholder developed documents associated with a stakeholder developed Reliability Standard, the final authority to post a document developed under Setion 11 should reside with the stakeholder committee designated by the Board of Trustees to oversee the standards development process, the Standards Committee.

Likes 0

Dislikes 0

**Response**

Thank you for your comment. It is appropriate for NERC staff to evaluate and remove from further consideration those proposed supporting documents that do not meet the two threshold criteria under Section 11.2: (1) whether the document is a Reference, Lessons Learned, or White Paper as described in Section 11; and (2) whether the document is consistent with the purpose and intent of the approved Reliability Standard that it purports to support. The Standards Committee will be informed of NERC’s determination regarding these criteria and the basis for the decision. The Standards Committee will continue to be responsible for ensuring that any proposed technical document has had adequate stakeholder review to verify the accuracy of its technical content before it is posted alongside the approved Reliability Standard.

**Matthew Harward - Southwest Power Pool, Inc. (RTO) - 2 - MRO,SERC, Group Name SPP Standards Review Group**

**Answer** No

**Document Name**

**Comment**

Section 11.3 should be clarified whether the Standards Committee is approving the Supporting Technical Document or just approving the posting of a Supporting Technical Document. Currently, the section only provides that NERC Staff shall present to and recommend the Standards Committee should approve posting of a technical document. Given the title of the section is “Approving a Supporting Technical Document,” the SSRG recommends that Section 11.3 be revised to state the Standard Committee approves both the Supporting Technical Document and the posting of such.

Likes 0

Dislikes 0

**Response**

Thank you for your comment. Consistent with the currently-effective Section 11, the Standards Committee does not approve the technical content of the proposed supporting document, but oversees the process by which the technical content of such documents is reviewed by stakeholders prior to being posted on the NERC website alongside the associated, approved Reliability Standard.

**Daniel Mason - Portland General Electric Co. - 6**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Rachel Coyne - Texas Reliability Entity, Inc. - 10**

**Answer** Yes

**Document Name**

**Comment**

Texas RE sees no issue with the SC not authorizing a technical document developed by the SDT, however, Texas RE suggests that the SDT and/or NERC Staff ensure the documents meet the criteria described in section 11.2.

Likes 0

Dislikes 0

**Response**

Thank you for your comment. The expectation is that, while SDT-developed documents are not subject to the posting approval processes in Section 11, the SDT and NERC staff would work together during the development process to ensure that any supporting technical documents developed by the SDT would meet the criteria for posting described in Section 11.2.

**Maryanne Darling-Reich - Black Hills Corporation - 1,3,5,6 - WECC**

**Answer** Yes

**Document Name**

**Comment**



Per section 11.0 paragraph 3, "...Following approval of the Reliability Standard, those documents may be posted alongside the standard...". Supporting documents should have a defined location for access by entities after approval (e.g. RSAW subpage on NERC webpage).

Likes 1	Utility Services, Inc., 4, Evans-Mongeon Brian
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Dislikes 0	
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**Response**

Thank you for your comment. Work is currently underway to determine how to improve the organization and accessibility of standards information.

**Charles Yeung - Southwest Power Pool, Inc. (RTO) - 2**

Answer	Yes
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Document Name	
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**Comment**

Sec 9.1 *"Where a Regional Entity is not organized on an Interconnection-wide basis, but a Variance is proposed to apply to Registered Entities within an Interconnection wholly contained in that Regional Entity's footprint, the Variance may be developed through that Regional Entity's NERC-approved Regional Reliability Standards development procedure."*

It is unclear whether the RE must use its own process or whether a registered entity may request that the NERC process be used instead.

Likes 0	
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Dislikes 0	
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**Response**

Thank you for your comment. In drafting this language, the SPM revisions team intended to allow for procedural flexibility in the development of Variances for the Quebec Interconnection. NERC and Regional Entity staff would coordinate in determining which process would be used in light of the circumstances, including whether any active continent-wide standard development project could address the issue adequately.

**Donald Sievertson - Los Angeles Department of Water and Power - 5**

<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Agree	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you for your comment.	
<b>John Seelke - LS Power Transmission, LLC - 1</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Chris Scanlon - Exelon - 1</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	

Likes	0
Dislikes	0
<b>Response</b>	
<b>Steve Floyd - Granite Shore Power - 5 - NPCC</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
<b>Richard Jackson - U.S. Bureau of Reclamation - 1</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
<b>Karie Barczak - DTE Energy - Detroit Edison Company - 3, Group Name DTE Energy - DTE Electric</b>	

<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Glen Farmer - Avista - Avista Corporation - 1,3,5</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Leonard Kula - Independent Electricity System Operator - 2</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	

Dislikes 0	
<b>Response</b>	
<b>Kelsi Rigby - APS - Arizona Public Service Co. - 5</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Dennis Chastain - Tennessee Valley Authority - 1,3,5,6 - SERC</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	

**Douglas Webb - Douglas Webb On Behalf of: Harold Wyble, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; James McBee, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; Jennifer Flandermeyer, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; John Carlson, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; - Douglas Webb**

<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	

**Response**

**Ruida Shu - Northeast Power Coordinating Council - 1,2,3,4,5,6,7,8,9,10 - NPCC, Group Name RSC no Dominion**

<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	

**Response**

**Marty Hostler - Northern California Power Agency - 5,6**

<b>Answer</b>	Yes
<b>Document Name</b>	

<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Dennis Sismaet - Northern California Power Agency - 5,6</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>David Ramkalawan - Ontario Power Generation Inc. - 5</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	

<b>Scott McGough - Georgia System Operations Corporation - 3</b>	
Answer	Yes
Document Name	
Comment	
Likes	0
Dislikes	0
Response	
<b>Hien Ho - Tacoma Public Utilities (Tacoma, WA) - 4</b>	
Answer	Yes
Document Name	
Comment	
Likes	0
Dislikes	0
Response	
<b>Katherine Prewitt - Southern Company - Southern Company Services, Inc. - 1, Group Name Southern Company</b>	
Answer	Yes
Document Name	
Comment	



Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Richard Vine - California ISO - 2</b>	
<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
The California ISO supports the comments of the ISO/RTO Council Standards Review Committee (SRC)	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you. NERC has not received comments from the ISO/RTO Council Standards Review Committee for this posting.	

**12. Do you have any other comments concerning Section 11.0 of the SPM?**

**Daniel Mason - Portland General Electric Co. - 6**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Matthew Harward - Southwest Power Pool, Inc. (RTO) - 2 - MRO,SERC, Group Name SPP Standards Review Group**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Hien Ho - Tacoma Public Utilities (Tacoma, WA) - 4**

**Answer** No

<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Scott McGough - Georgia System Operations Corporation - 3</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>David Ramkalawan - Ontario Power Generation Inc. - 5</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	

<b>Response</b>	
<b>Dennis Sismaet - Northern California Power Agency - 5,6</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
<b>Marty Hostler - Northern California Power Agency - 5,6</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
<b>Ruida Shu - Northeast Power Coordinating Council - 1,2,3,4,5,6,7,8,9,10 - NPCC, Group Name RSC no Dominion</b>	
<b>Answer</b>	No
<b>Document Name</b>	

<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Douglas Webb - Douglas Webb On Behalf of: Harold Wyble, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; James McBee, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; Jennifer Flandermeyer, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; John Carlson, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; - Douglas Webb</b>	
Answer	No
Document Name	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Donald Sievertson - Los Angeles Department of Water and Power - 5</b>	
Answer	No
Document Name	
<b>Comment</b>	
Likes 0	

Dislikes 0	
<b>Response</b>	
<b>Dennis Chastain - Tennessee Valley Authority - 1,3,5,6 - SERC</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Shelby Wade - PPL - Louisville Gas and Electric Co. - 3,5,6 - SERC, Group Name Louisville Gas and Electric Company and Kentucky Utilities Company</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Kelsi Rigby - APS - Arizona Public Service Co. - 5</b>	

<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Leonard Kula - Independent Electricity System Operator - 2</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Glen Farmer - Avista - Avista Corporation - 1,3,5</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	

Dislikes	0
<b>Response</b>	
Maryanne Darling-Reich - Black Hills Corporation - 1,3,5,6 - WECC	
Answer	No
Document Name	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
Karie Barczak - DTE Energy - Detroit Edison Company - 3, Group Name DTE Energy - DTE Electric	
Answer	No
Document Name	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
Richard Jackson - U.S. Bureau of Reclamation - 1	
Answer	No



<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Rachel Coyne - Texas Reliability Entity, Inc. - 10</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Steve Floyd - Granite Shore Power - 5 - NPCC</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	

**Response**

**Chris Scanlon - Exelon - 1**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**John Seelke - LS Power Transmission, LLC - 1**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Katherine Prewitt - Southern Company - Southern Company Services, Inc. - 1, Group Name Southern Company**

**Answer** Yes

**Document Name**

**Comment**

In light of previously expressed stakeholder concerns with treatment of technical rationale, Guidelines and Technical Basis, and Implementation Guidance, the statement at the end of Section 11.1 – *Documents that contain specific compliance approaches or examples are not considered supporting technical documents under this Section.* – should be given more prominence and, therefore, relocated to the beginning of Section 11.1. More specifically, Southern’s suggestion is to locate the text immediately after the initial paragraph.

Likes 0

Dislikes 0

**Response**

Thank you for your comment. The SPM revisions team has made the suggested revision.

**Brandon McCormick - Brandon McCormick On Behalf of: Jeffrey Partington, Keys Energy Services, 4; Ken Simmons, Gainesville Regional Utilities, 3, 1, 5; Neville Bowen, Ocala Utility Services, 3; Tom Reedy, Florida Municipal Power Pool, 6; - Brandon McCormick, Group Name FMPA**

**Answer** Yes

**Document Name**

**Comment**

FMPA agrees with the following comments submitted by Dominion:

Stakeholders requested that NERC staff have a definitive timeframe to make any determinations as outlined under Section 11 yet there is currently no language in Section 11 that specifies a timeframe for NERC staff to complete their evaluation of a submitted document. This gap in the process could lead to unintended consequences, including documents not being addressed promptly and stakeholder uncertainty on the status of a Section 11 document. Dominion Energy recommends NERC have a defined 90 day time period to present a determination to the Standards Committee.

Likes 0

Dislikes 0

**Response**

Thank you for your comment. The SPM revisions team has not included a timeline for consideration of such documents in the SPM. The SPM revisions team agrees, however, that 90 days provides a reasonable time for review and has drafted a related guidance document to include this timeframe that is pending review and endorsement by the Standards Committee.

**Sean Bodkin - Dominion - Dominion Resources, Inc. - 6, Group Name Dominion**

**Answer** Yes

**Document Name**

**Comment**

Stakeholders requested that NERC staff have a definitive timeframe to make any determinations as outlined under Section 11 yet there is currently no language in Section 11 that specifies a timeframe for NERC staff to complete their evaluation of a submitted document. This gap in the process could lead to unintended consequences, including documents not being addressed promptly and stakeholder uncertainty on the status of a Section 11 document. Dominion Energy recommends NERC have a defined 90 day time period to present a determination to the Standards Committee.

Likes 0

Dislikes 0

**Response**

Thank you for your comment. The SPM revisions team has not included a timeline for consideration of such documents in the SPM. The SPM revisions team agrees, however, that 90 days provides a reasonable time for review and has drafted a related guidance document to include this timeframe that is pending review and endorsement by the Standards Committee.

**Charles Yeung - Southwest Power Pool, Inc. (RTO) - 2**

**Answer** Yes

**Document Name**

**Comment**

Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Richard Vine - California ISO - 2</b>	
<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
The California ISO supports the comments of the ISO/RTO Council Standards Review Committee (SRC)	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you. NERC has not received comments from the ISO/RTO Council Standards Review Committee for this posting.	

**13. Do you have any comments regarding the updates and clarifications proposed for the first time in this posting of the SPM, including the revisions in Sections 1.0, 2.0, 3.0, 10.0, 13.0, and 16.0?**

**John Seelke - LS Power Transmission, LLC - 1**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Chris Scanlon - Exelon - 1**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Steve Floyd - Granite Shore Power - 5 - NPCC**

**Answer** No

<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Rachel Coyne - Texas Reliability Entity, Inc. - 10</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Richard Jackson - U.S. Bureau of Reclamation - 1</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	

**Response**

**Karie Barczak - DTE Energy - Detroit Edison Company - 3, Group Name DTE Energy - DTE Electric**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Maryanne Darling-Reich - Black Hills Corporation - 1,3,5,6 - WECC**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Leonard Kula - Independent Electricity System Operator - 2**

**Answer** No

**Document Name**



<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Kelsi Rigby - APS - Arizona Public Service Co. - 5</b>	
Answer	No
Document Name	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Dennis Chastain - Tennessee Valley Authority - 1,3,5,6 - SERC</b>	
Answer	No
Document Name	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	

<b>Charles Yeung - Southwest Power Pool, Inc. (RTO) - 2</b>	
Answer	No
Document Name	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Donald Sievertson - Los Angeles Department of Water and Power - 5</b>	
Answer	No
Document Name	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Douglas Webb - Douglas Webb On Behalf of: Harold Wyble, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; James McBee, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; Jennifer Flandermeyer, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; John Carlson, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; - Douglas Webb</b>	
Answer	No

<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Ruida Shu - Northeast Power Coordinating Council - 1,2,3,4,5,6,7,8,9,10 - NPCC, Group Name RSC no Dominion</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Marty Hostler - Northern California Power Agency - 5,6</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	

<b>Response</b>	
<b>Dennis Sismaet - Northern California Power Agency - 5,6</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
<b>David Ramkalawan - Ontario Power Generation Inc. - 5</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
<b>Scott McGough - Georgia System Operations Corporation - 3</b>	
<b>Answer</b>	No
<b>Document Name</b>	

<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Hien Ho - Tacoma Public Utilities (Tacoma, WA) - 4</b>	
Answer	No
Document Name	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Katherine Prewitt - Southern Company - Southern Company Services, Inc. - 1, Group Name Southern Company</b>	
Answer	No
Document Name	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	

<b>Daniel Mason - Portland General Electric Co. - 6</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Shelby Wade - PPL - Louisville Gas and Electric Co. - 3,5,6 - SERC, Group Name Louisville Gas and Electric Company and Kentucky Utilities Company</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
<p>There is very little background or supporting information provided by NERC regarding the removal of two of the Elements of a Reliability Standard (i.e. <i>Application guidelines</i> and <i>Procedures</i>) in section 2.5. The revisions proposed in section 2.5 are referred to in the posted <i>Summary of Proposed Revisions to the NERC Standard Processes Manual – Second Posting</i> as “reflect[ing] the Standards Committee’s guidance for the development of Technical Rationale documents.” However, the Standards Committee’s documents that address Technical Rationale do not mention the elimination of <i>Application guidelines</i> or <i>Procedures</i> from the Elements of a Reliability Standard. If NERC is transitioning the <i>Application guidelines</i> and <i>Procedures</i> to Technical Rationale documents, it may be better for NERC to incorporate the term Technical Rationale as an Element of the Reliability Standard in order to complete the transition from Guidelines and Technical Basis (GTB) to Technical Rationale. Additionally, if Standard Drafting Teams can develop supporting technical documents under section 4.4.2, those documents should be considered an Element of the Reliability Standard.</p>	

Likes 1	Utility Services, Inc., 4, Evans-Mongeon Brian
Dislikes 0	
<b>Response</b>	
<p>Thank you for your comment. Under the Standard Committee’s guidance for the development of Technical Rationale documents (available <a href="#">here</a>), the standard template will no longer include a Guidelines &amp; Technical Basis section. Technical information that standard drafting teams may have formerly included in sections of the standard document titled Application Guidelines or Procedures will instead be included in stand-alone Technical Rationale documents. The Technical Rationale Advisory Group has been charged with executing a transition plan to oversee the transition of such information in existing standards out of the standard document and into stand-alone documents. In light of these developments, it no longer makes sense to identify Application Guidelines or Procedures as potential “elements” of a standard in the SPM.</p>	
<b>Sean Bodkin - Dominion - Dominion Resources, Inc. - 6, Group Name Dominion</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
<p>The elimination of two elements of the Reliability Standard in Section 2.5 appears to be counter productive and could lead to standard drafting teams not having the ability to provide guidance on the implementation of the Requirements within the Reliability Standard. These elements of the standard could be used by the drafting teams to provide necessary guidance to stakeholders that is not contained within the actual Requirements but are necessary to understand the intent of the team when stakeholders are implementing the Requirements at a programmatic level rather than offering specific examples of how to comply with a Requirement through the Implementation Guidance process. An example is information contained in this element of the Reliability Standard for CIP-002.</p>	
Likes 1	Utility Services, Inc., 4, Evans-Mongeon Brian
Dislikes 0	
<b>Response</b>	
<p>Thank you for your comment. Under the Standard Committee’s guidance for the development of Technical Rationale documents (available <a href="#">here</a>), the standard template will no longer include a Guidelines &amp; Technical Basis section. Technical information that standard drafting teams</p>	

may have formerly included in sections of the standard document titled Application Guidelines or Procedures will instead be included in stand-alone Technical Rationale documents. The Technical Rationale Advisory Group has been charged with executing a transition plan to oversee the transition of such information in existing standards out of the standard document and into stand-alone documents. In light of these developments, it no longer makes sense to identify Application Guidelines or Procedures as potential “elements” of a standard in the SPM.

**Brandon McCormick - Brandon McCormick On Behalf of: Jeffrey Partington, Keys Energy Services, 4; Ken Simmons, Gainesville Regional Utilities, 3, 1, 5; Neville Bowen, Ocala Utility Services, 3; Tom Reedy, Florida Municipal Power Pool, 6; - Brandon McCormick, Group Name FMPA**

**Answer** Yes

**Document Name**

**Comment**

FMPA agrees with the following comments submitted by Dominion:

There is very little background or supporting information provided by NERC regarding the removal of two of the Elements of a Reliability Standard (i.e. *Application guidelines* and *Procedures*) in section 2.5. The revisions proposed in section 2.5 are referred to in the posted *Summary of Proposed Revisions to the NERC Standard Processes Manual – Second Posting* as “reflect[ing] the Standards Committee’s guidance for the development of Technical Rationale documents.” However, the Standards Committee’s documents that address Technical Rationale do not mention the elimination of *Application guidelines* or *Procedures* from the Elements of a Reliability Standard. If NERC is transitioning the *Application guidelines* and *Procedures* to Technical Rationale documents, it may be better for NERC to incorporate the term Technical Rationale as an Element of the Reliability Standard in order to complete the transition from Guidelines and Technical Basis (GTB) to Technical Rationale. Additionally, if Standard Drafting Teams can develop supporting technical documents under section 4.4.2, those documents should be considered an Element of the Reliability Standard.

Likes 0

Dislikes 0

**Response**

Thank you for your comment. Please see response to Dominion’s comments above.



**Matthew Harward - Southwest Power Pool, Inc. (RTO) - 2 - MRO,SERC, Group Name SPP Standards Review Group**

**Answer** Yes

**Document Name**

**Comment**

(1) Section 2.5 should be revised to state that the components of a Reliability Standard must include the following: Applicability, Effective Dates and Requirements; and may include the remaining elements as informational. Such a statement at the beginning of the section would be consistent with the final two sentences of the section that differentiates between mandatory and optional components of the Reliability Standard.

(2) For consistency with other flowcharts, Figure 3 in Section 10.7 does not need the explanatory sentence “The following flowchart illustrates...” because the flowchart is already identified as **Figure 3: Process for Developing a Standard Responsive to an Imminent, Confidential Issue**.

If the explanatory sentence is retained, for consistency the SSRG suggests adding a similar explanatory sentence to Figures 1, 2 and 4.

Likes 0

Dislikes 0

**Response**

Thank you for your comment. The SPM revisions team has considered the suggested revisions, but declines to include them as the team does not believe they add clarity. The SPM revisions team added the explanatory sentence before figure 3 in Section 10.7 in response to a suggestion from an earlier comment period. Section 10.7 is unique in that the figure comprises the entire subsection.

**Glen Farmer - Avista - Avista Corporation - 1,3,5**

**Answer** Yes

**Document Name**

**Comment**

Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Richard Vine - California ISO - 2</b>	
<b>Answer</b>	
<b>Document Name</b>	
<b>Comment</b>	
The California ISO supports the comments of the ISO/RTO Council Standards Review Committee (SRC)	
Likes 0	
Dislikes 0	
<b>Response</b>	
Thank you. NERC has not received comments from the ISO/RTO Council Standards Review Committee for this posting.	

<b>14. Do you have any other comments regarding revisions to any SPM section not specifically identified above?</b>	
<b>Daniel Mason - Portland General Electric Co. - 6</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Katherine Prewitt - Southern Company - Southern Company Services, Inc. - 1, Group Name Southern Company</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Brandon McCormick - Brandon McCormick On Behalf of: Jeffrey Partington, Keys Energy Services, 4; Ken Simmons, Gainesville Regional Utilities, 3, 1, 5; Neville Bowen, Ocala Utility Services, 3; Tom Reedy, Florida Municipal Power Pool, 6; - Brandon McCormick, Group Name FMPA</b>	

<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Hien Ho - Tacoma Public Utilities (Tacoma, WA) - 4</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Scott McGough - Georgia System Operations Corporation - 3</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	

Dislikes 0	
<b>Response</b>	
<b>David Ramkalawan - Ontario Power Generation Inc. - 5</b>	
Answer	No
Document Name	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Dennis Sismaet - Northern California Power Agency - 5,6</b>	
Answer	No
Document Name	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Marty Hostler - Northern California Power Agency - 5,6</b>	
Answer	No

<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Ruida Shu - Northeast Power Coordinating Council - 1,2,3,4,5,6,7,8,9,10 - NPCC, Group Name RSC no Dominion</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Donald Sievertson - Los Angeles Department of Water and Power - 5</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	

<b>Response</b>	
<b>Charles Yeung - Southwest Power Pool, Inc. (RTO) - 2</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
<b>Dennis Chastain - Tennessee Valley Authority - 1,3,5,6 - SERC</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes	0
Dislikes	0
<b>Response</b>	
<b>Sean Bodkin - Dominion - Dominion Resources, Inc. - 6, Group Name Dominion</b>	
<b>Answer</b>	No
<b>Document Name</b>	

<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Shelby Wade - PPL - Louisville Gas and Electric Co. - 3,5,6 - SERC, Group Name</b> Louisville Gas and Electric Company and Kentucky Utilities Company	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Kelsi Rigby - APS - Arizona Public Service Co. - 5</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	



**Response**

**Leonard Kula - Independent Electricity System Operator - 2**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Glen Farmer - Avista - Avista Corporation - 1,3,5**

**Answer** No

**Document Name**

**Comment**

Likes 0

Dislikes 0

**Response**

**Maryanne Darling-Reich - Black Hills Corporation - 1,3,5,6 - WECC**

**Answer** No

**Document Name**

<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Karie Barczak - DTE Energy - Detroit Edison Company - 3, Group Name DTE Energy - DTE Electric</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Richard Jackson - U.S. Bureau of Reclamation - 1</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	

<b>Rachel Coyne - Texas Reliability Entity, Inc. - 10</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Steve Floyd - Granite Shore Power - 5 - NPCC</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Chris Scanlon - Exelon - 1</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	

Likes 0	
Dislikes 0	
<b>Response</b>	
<b>John Seelke - LS Power Transmission, LLC - 1</b>	
<b>Answer</b>	No
<b>Document Name</b>	
<b>Comment</b>	
Likes 0	
Dislikes 0	
<b>Response</b>	
<b>Daniela Hammons - CenterPoint Energy Houston Electric, LLC - 1</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
CenterPoint Energy Houston Electric, LLC encourages NERC to continue to clarify and document how Technical Rationale may be used by standard drafting teams to capture the intent of the teams while developing requirements, by industry as reference documents once standards are approved, and by the ERO.	
Likes 0	

Dislikes	0
<b>Response</b>	
Thank you for your comment. NERC intends to continue education and outreach and to complete the work described in its Technical Rationale Transition Plan.	
<b>Matthew Harward - Southwest Power Pool, Inc. (RTO) - 2 - MRO,SERC, Group Name SPP Standards Review Group</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
The SSRG appreciates the time and effort expended by the drafting team to revise the SPM, and supports the effort.	
Likes	0
Dislikes	0
<b>Response</b>	
Thank you for your comment and for participating in the SPM revision process.	
<b>Douglas Webb - Douglas Webb On Behalf of: Harold Wyble, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; James McBee, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; Jennifer Flandermeyer, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; John Carlson, Great Plains Energy - Kansas City Power and Light Co., 5, 1, 3, 6; - Douglas Webb</b>	
Answer	Yes
Document Name	
<b>Comment</b>	
To bring clarity and transparency, we encourage NERC to develop a definition and affirmative language stating what a Technical Rationale is, how it is used, and what authority it holds, if any, in compliance and enforcement.	
Likes	1
Utility Services, Inc., 4, Evans-Mongeon Brian	

Dislikes	0
<b>Response</b>	
Thank you for your comment. NERC intends to continue education and outreach on Technical Rationale and to complete the work described in its Technical Rationale Transition Plan.	
<b>Kristine Ward - Seminole Electric Cooperative, Inc. - 1,3,4,5,6 - FRCC</b>	
<b>Answer</b>	Yes
<b>Document Name</b>	
<b>Comment</b>	
<p>Comments</p> <ol style="list-style-type: none"> <li>1. It is unclear why “Application guidelines” was deleted on page 6. Does this mean that NERC will not be drafting any more application guidelines?</li> <li>2. NERC has produced Application Guides in the past, for examples for “Computing Geomagnetically-Induced Current in the Bulk-Power System.” If the definition of “Application Guideline” is deleted, then there is no longer a description of how to employ this guide produced by NERC. Seminole suggests the definitions remain in the Manual while NERC phases out these document types if that is what NERC’s intent it.</li> <li>3. On page 17, the drafting team deleted the following:             <ol style="list-style-type: none"> <li>i. The team shall document its justification for the Requirements in its proposed Reliability Standard by explaining how each meets these criteria. The standard drafting team shall document its justification for selecting each reference by explaining how each Requirement fits the category chosen.</li> <li>ii. It is unclear why this was deleted and Seminole, without being provided with the reasoning for the deletion, prefers for it to remain. Seminole also reasons that the drafting team should explain their justification for a Requirement.</li> </ol> </li> </ol>	

4. In Section 6.1, language stating that the Standards Committee “may solicit” for volunteers for the field test has been deleted. New language added states that the lead NERC Technical committee shall identify potential field test participants. If selected for a field test, will it be mandatory to participate now? The reasoning for the change is not provided.
5. Seminole reasons that language should be added that any data employed in rulemaking that is gathered from a field test is posted on a public site before any subsequent rulemakings, or part of subsequent rulemaking, similar to the EPA’s process.
6. During a field test, as discussed in Section 6.1, can a selected participant remove themselves at any time during a field test as a participant if they no longer wish to participate, including for reasons that have no impact on the BPS?
7. NERC recently approved a “CMEP Practice Guide” for TOP-001-4 and IRO-002-5. Seminole did not see an explanation for the approval process of this document type and recommends the drafting team add a description of the approval and outreach process for this document type to the Manual as Seminole was completely unaware that this document was being drafted.
8. Under Section 7.2.1 of the Manual, would “Guidelines and Technical Basis” language, such as those appended to the back of the NERC CIP Standards, be considered referenced attachments under the fourth bullet?
9. Seminole has heard that NERC intends to separate all guidelines and interpretations from NERC Standards moving forward as they are “not part of the Standard”. Is this still the intent of NERC, because if so, then this document should clarify that intent better.
10. With the deletion of “Guideline” on page 42, it is unclear how industry should treat the “Guidelines and Technical Basis” language that is appended to the back of multiple CIP Standards. NERC should not delete this language from page 42 until all Guidelines have been retired.
11. In the past, Seminole noticed that the redline for a proposed Standard was different than the proposed clean copy, both posted on the project page. What is NERC’s process for when there are differences in these two documents, e.g., what is actually being “approved”?

Likes	0
Dislikes	0

**Response**

Thank you for your comments. The SPM revisions team responds as follows:

Items 1-2: Thank you for your comment. Under the Standard Committee’s guidance for the development of Technical Rationale documents (available [here](#)), the standard template will no longer include a Guidelines & Technical Basis section. Technical information that standard drafting teams may have formerly included in sections of the standard document titled Application Guidelines or Procedures will instead be included in stand-alone Technical Rationale documents. The Technical Rationale Advisory Group has been charged with executing a transition plan to oversee the transition of such information in existing standards out of the standard document and into stand-alone documents. In light of these developments, it no longer makes sense to identify Application Guidelines or Procedures as potential “elements” of a standard in the SPM.

Item 3: The SPM revisions team has deleted this language as it is a documentation requirement that adds to the work of drafting teams, while providing minimal benefit to the standard development process. NERC Staff works closely with drafting teams to ensure that proposed Reliability Standards include all required elements and meet the quality attributes identified in NERC’s *Ten Benchmarks of an Excellent Reliability Standard*, with a goal of meeting the criteria for governmental approval.

Item 4: Section 6.1 of the SPM provides that the lead NERC technical committee is responsible for identifying a list of potential field test participants. Section 6 has been revised to clarify that entity participation in a field test is voluntary.

Item 5: Information regarding field tests will be made available to stakeholders in accordance with the applicable provisions of Section 6.0.

Item 6: Section 6 of the SPM describes the procedural roles and responsibilities of the technical committees, NERC staff, Standards Committee, and drafting team in the development, approval, and execution of field tests. The SPM revisions team believes that the obligations of an entity with respect to its participation in the field test are best addressed in the context of the individual field test.

Item 7: CMEP Practice Guides relate to compliance processes and are therefore outside the scope of the Standard Processes Manual.

Item 8: Guidelines & Technical Basis are not considered Interpretations under Section 7 of the SPM.



Items 9-10: The SPM revisions team refers the commenter to the Technical Rationale for Reliability Standards project page for additional information on the transition of Guidelines & Technical Basis to Technical Rationale. The page is available at <https://www.nerc.com/pa/Stand/Pages/TechnicalRationaleforReliabilityStandards.aspx>.

Item 11: Redline documents are developed to aid an entity in identifying the changes from a previously-posted or previously-approved version of a standard. The clean version will contain the language as intended by the drafting team. If the commenter notes a discrepancy between a clean and redline document in the future, please contact the assigned NERC standards developer or email NERC at [sarcomm@nerc.net](mailto:sarcomm@nerc.net) so that the issue may be promptly addressed.

**Richard Vine - California ISO - 2**

**Answer**

**Document Name**

**Comment**

The California ISO supports the comments of the ISO/RTO Council Standards Review Committee (SRC)

Likes 0

Dislikes 0

**Response**

Thank you. NERC has not received comments from the ISO/RTO Council Standards Review Committee for this posting.

**NERC**

NORTH AMERICAN ELECTRIC  
RELIABILITY CORPORATION

# Standard Processes Manual

VERSION 4

Effective TBD

**RELIABILITY | ACCOUNTABILITY**



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## Section 1.0: Introduction

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### 1.1: Authority

This manual is published by the authority of the North American Electric Reliability Corporation (“NERC”) Board of Trustees and has been incorporated into the NERC Rules of Procedure as Appendix 3A. It provides implementation detail in support of the NERC Rules of Procedure Section 300 — Reliability Standards Development.

Capitalized terms not otherwise defined herein shall have the meaning set forth in the Definitions Used in the Rules of Procedure, Appendix 2 to the Rules of Procedure. Unless otherwise specified, any period of time that is counted in days shall refer to calendar days.

### 1.2: Scope

The policies and procedures in this manual shall govern the activities of NERC related to the development, approval, revision, reaffirmation, and withdrawal of Reliability Standards, Interpretations, Violation Risk Factors (“VRFs”), Violation Severity Levels (“VSLs”), definitions, Variances, and reference documents developed to support standards for the Reliable Operation and planning of the North American Bulk Power Systems.

This manual also addresses the role of the Standards Committee, drafting teams, and the ballot body in the development and approval of Compliance Elements in conjunction with standard development.

### 1.3: Background

NERC is a nonprofit corporation formed for the purpose of becoming the North American ERO. NERC works with all stakeholder segments of the electric industry, including electricity users, to develop Reliability Standards for the reliability planning and Reliable Operation of the North American Bulk Power Systems. 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 Reliability Standards mandatory for all Bulk Power System owners, operators, and users. Similar authorities are provided by Applicable Governmental Authorities in Canada. The United States Federal Energy Regulatory Commission (“FERC”) certified NERC as the ERO effective July 2006. *North American Electric Reliability Corp.*, 116 FERC ¶ 61,062, *order on reh’g and compliance*, 117 FERC ¶ 61,126 (2006), *order on compliance*, 118 FERC ¶ 61,030 (2007).

### 1.4: Essential Attributes of NERC’s Reliability Standards Processes

NERC’s Reliability Standards development processes provide reasonable notice and opportunity for public comment, due process, openness, and balance of interests in developing a proposed Reliability Standard consistent with the attributes necessary for American National Standards Institute (“ANSI”) accreditation. The same attributes, as well as transparency, consensus-building, and timeliness, are also required under the ERO Rules of Procedure Section 304.

- **Open Participation**

Participation in NERC’s Reliability Standards development balloting and approval processes shall be open to all entities materially affected by NERC’s Reliability Standards. There shall be no financial barriers to participation in NERC’s Reliability Standards balloting and approval processes. Membership in the Registered Ballot Body shall not be conditional upon membership in any organization, nor unreasonably restricted on the basis of technical qualifications or other such requirements.

- **Balance**

NERC's Reliability Standards development processes shall not be dominated by any two interest categories, individuals, or organizations and no single interest category, individual, or organization is able to defeat a matter.

NERC shall use a voting formula that allocates each industry Segment an equal weight in determining the final outcome of any Reliability Standard action. The Reliability Standards development processes shall have a balance of interests. Participants from diverse interest categories shall be encouraged to join the Registered Ballot Body and participate in the balloting process, with a goal of achieving balance between the interest categories. The Registered Ballot Body serves as the consensus body voting to approve each new or proposed Reliability Standard, definition, Variance, and Interpretation.

- **Coordination and harmonization with other American National Standards activities**

NERC is committed to resolving any potential conflicts between its Reliability Standards development efforts and existing American National Standards and candidate American National Standards.

- **Notification of standards development**

NERC shall publicly distribute a notice to each member of the Registered Ballot Body, and to each stakeholder who indicates a desire to receive such notices, for each action to create, revise, reaffirm, or withdraw a Reliability Standard, definition, or Variance; and for each proposed Interpretation. Notices shall be distributed electronically, with links to the relevant information, and notices shall be posted on NERC's Reliability Standards web page. All notices shall identify a readily available source for further information.

- **Transparency**

The process shall be transparent to the public.

- **Consideration of views and objections**

Drafting teams shall give prompt consideration to the written views and objections of all participants as set forth herein. Drafting teams shall make an effort to resolve each objection that is related to the topic under review.

- **Consensus Building**

The process shall build and document consensus for each Reliability Standard, both with regard to the need and justification for the Reliability Standard and the content of the Reliability Standard.

- **Consensus vote**

NERC shall use its voting process to determine if there is sufficient consensus to approve a proposed Reliability Standard, definition, Variance, or Interpretation. NERC shall form a ballot pool for each Reliability Standard action from interested members of its Registered Ballot Body. Approval of any Reliability Standard action requires:

- A quorum, which is established by at least 75% of the members of the ballot pool submitting a response excluding unreturned ballots; and
- A two-thirds majority of the weighted Segment votes cast shall be affirmative. The number of votes cast during all stages of balloting except the final ballot is the sum of affirmative and negative votes with comments, excluding abstentions, non-responses, and negative votes without comments. During the final ballot, the number of votes cast is the sum of affirmative and negative votes, excluding abstentions and non-responses.

- ***Timeliness***

Development of Reliability Standards shall be timely and responsive to new and changing priorities for reliability of the Bulk Power System.

- ***Metric Policy***

The International System of units is the preferred units of measurement in NERC Reliability Standards. However, because NERC's Reliability Standards apply in Canada, the United States and portions of Mexico, where applicable, measures are provided in both the metric and English units.

## **1.5: Ethical Participation**

All participants in the NERC Standard development process, including drafting teams, quality reviewers, Standards Committee members and members of the Registered Ballot Body, are obligated to act in an ethical manner in the exercise of all activities conducted pursuant to the terms and conditions of the Standard Processes Manual and the standard development process.

## Section 2.0: Elements of a Reliability Standard

---

### 2.1: Definition of a Reliability Standard

A Reliability Standard includes a set of Requirements that define specific obligations of owners, operators, and users of the North American Bulk Power Systems. The Requirements shall be material to reliability and measurable. A Reliability Standard is defined as follows:

“Reliability Standard” means a requirement, approved by the United States Federal Energy Regulatory Commission under Section 215 of the Federal Power Act, or approved or recognized by an applicable governmental authority in other jurisdictions, to provide for Reliable Operation of the Bulk Power System. The term includes requirements for the operation of existing Bulk Power System facilities, including cybersecurity protection, and the design of planned additions or modifications to such facilities to the extent necessary for Reliable Operation of the Bulk Power System, but the term does not include any requirement to enlarge such facilities or to construct new transmission capacity or generation capacity. (In certain contexts, this term may also refer to a “Reliability Standard” that is in the process of being developed, or not yet approved or recognized by FERC or an applicable governmental authority in other jurisdictions).<sup>1</sup>

### 2.2: Reliability Principles

NERC Reliability Standards are based on certain reliability principles that define the foundation of reliability for North American Bulk Power Systems.<sup>2</sup> Each Reliability Standard shall enable or support one or more of the reliability principles, thereby ensuring that each Reliability 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 Reliability Standard undermines reliability through an unintended consequence.

### 2.3: Market 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.<sup>3</sup> 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.

### 2.4: Types of Reliability Requirements

Generally, each Requirement of a Reliability Standard shall identify what Functional Entities shall do, and under what conditions, to achieve a specific reliability objective. Although Reliability Standards all follow this format, several types of Requirements may exist, each with a different approach to measurement.

- **Performance-based Requirements** define a specific reliability objective or outcome achieved by one or more entities that has a direct, observable effect on the reliability of the Bulk Power System, i.e. an effect that can be measured using power system data or trends. In its simplest form, a performance-based requirement has four components: who, under what conditions (if any), shall perform what action, to achieve what particular result or outcome.

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<sup>1</sup> See Appendix 2 to the NERC Rules of Procedure, Definitions Used in the Rules of Procedure.

<sup>2</sup> The intent of the set of NERC Reliability Standards is to deliver an adequate level of reliability. The latest set of reliability principles and the latest set of characteristics associated with an adequate level of reliability are posted on the Reliability Standards Resources web page.

<sup>3</sup> The latest set of market interface principles is posted on the Reliability Standards Resources web page.

- **Risk-based Requirements** define actions by one or more entities that reduce a stated risk to the reliability of the Bulk Power System and can be measured by evaluating a particular product or outcome resulting from the required actions. A risk-based reliability requirement should be framed as: who, under what conditions (if any), shall perform what action, to achieve what particular result or outcome that reduces a stated risk to the reliability of the Bulk Power System.
- **Capability-based Requirements** define capabilities needed by one or more entities to perform reliability functions and can be measured by demonstrating that the capability exists as required. A capability-based reliability requirement should be framed as: *who, under what conditions (if any), shall have what capability, to achieve what particular result or outcome to perform an action to achieve a result or outcome or to reduce a risk to the reliability of the Bulk Power System.*

The body of reliability Requirements collectively provides a defense-in-depth strategy supporting reliability of the Bulk Power System.

## 2.5: Elements of a Reliability Standard

A Reliability Standard includes several components designed to work collectively to identify what entities must do to meet their reliability-related obligations as an owner, operator or user of the Bulk Power System.

The components of a Reliability Standard may include the following:

**Title:** A brief, descriptive phrase identifying the topic of the Reliability Standard.

**Number:** A unique identification number assigned in accordance with a published classification system to facilitate tracking and reference to the Reliability Standards.<sup>4</sup>

**Purpose:** The reliability outcome achieved through compliance with the Requirements of the Reliability Standard.

**Applicability:** Identifies the specific Functional Entities and Facilities to which the Reliability Standard applies.

**Effective Dates:** Identification of the date or pre-conditions determining when each Requirement becomes effective in each jurisdiction.

**Requirement:** An explicit statement that identifies the Functional Entity responsible, the action or outcome that must be achieved, any conditions achieving the action or outcome, and the reliability-related benefit of the action or outcome. Each Requirement shall be a statement for which compliance is mandatory.

**Compliance Elements:** Elements to aid in the administration of ERO compliance monitoring and enforcement responsibilities.<sup>5</sup>

- **Measure:** Provides identification of the evidence or types of evidence that may demonstrate compliance with the associated requirement.
- **Violation Risk Factors and Violation Severity Levels:** Violation risk factors (VRFs) and violation severity levels (VSLs) are used as factors when determining the size of a penalty or sanction associated with the

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<sup>4</sup> Reliability Standards shall be numbered in accordance with the NERC Standards Numbering Convention as provided on the Reliability Standards Resources web page.

<sup>5</sup> It is the responsibility of the ERO Staff to develop compliance tools for each standard; these tools are not part of the standard but are referenced in this manual because the preferred approach to developing these tools is to use a transparent process that leverages the technical and practical expertise of the drafting team and ballot pool.



violation of a requirement in an approved Reliability Standard.<sup>6</sup> Each requirement in each Reliability Standard has an associated VRF and a set of VSLs. VRFs and VSLs are developed by the drafting team, working with NERC Staff, at the same time as the associated Reliability Standard, but are not part of the Reliability Standard. The Board of Trustees is responsible for approving VRFs and VSLs.

- **Violation Risk Factors**

VRFs identify the potential reliability significance of noncompliance with each requirement. Each requirement is assigned a VRF in accordance with the latest approved set of VRF criteria.<sup>7</sup>

- **Violation Severity Levels**

VSLs define the degree to which compliance with a requirement was not achieved. Each requirement shall have at least one VSL. While it is preferable to have four VSLs for each requirement, some requirements do not have multiple “degrees” of noncompliant performance and may have only one, two, or three VSLs. Each requirement is assigned one or more VSLs in accordance with the latest approved set of VSL criteria.<sup>8</sup>

**Version History:** The version history is provided for informational purposes and lists information regarding prior versions of Reliability Standards.

**Variance:** A Requirement (to be applied in the place of the continent-wide Requirement) that is applicable to a specific geographic area or to a specific set of Registered Entities.

**Compliance Enforcement Authority:** The entity that is responsible for assessing performance or outcomes to determine if an entity is compliant with the associated Reliability Standard. The Compliance Enforcement Authority will be NERC or the Regional Entity in their respective roles of monitoring and enforcing compliance with the NERC Reliability Standards.

The only mandatory and enforceable components of a Reliability Standard are the: (1) applicability, (2) Requirements, and the (3) effective dates. The additional components are included in the Reliability Standard for informational purposes and to provide guidance to Functional Entities concerning how compliance will be assessed by the Compliance Enforcement Authority.

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<sup>6</sup> The *Sanction Guidelines of the North American Electric Reliability Corporation* identifies the factors used to determine a penalty or sanction for violation of a Reliability Standard and is posted on the NERC web site.

<sup>7</sup> The latest set of approved VRF Criteria is posted on the Reliability Standards Resources web page.

<sup>8</sup> The latest set of approved VSL Criteria is posted on the Reliability Standards Resources web page.

## Section 3.0: Reliability Standards Program Organization

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### 3.1: Board of Trustees

The NERC Board of Trustees shall consider for adoption Reliability Standards, definitions, Variances and Interpretations and associated implementation plans that have been developed according to this manual. Once the Board adopts a Reliability Standard, definition, Variance or Interpretation, the Board shall direct NERC Staff to file the document(s) for approval with Applicable Governmental Authorities.

### 3.2: Registered Ballot Body

The Registered Ballot Body comprises all entities or individuals that qualify for one of the Segments approved by the Board of Trustees<sup>9</sup>, and are registered with NERC as potential ballot participants in the voting on Reliability Standards. Each member of the Registered Ballot Body is eligible to join the ballot pool for each Reliability Standard action.

### 3.3: Ballot Pool

Each Reliability 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 request to participate in that particular Reliability Standard action. The ballot pool votes on each Reliability Standards action. The ballot pool remains in place until all balloting related to that Reliability Standard action has been completed.

### 3.4: Standards Committee

The Standards Committee serves at the pleasure and direction of the NERC Board of Trustees, and the Board approves the Standards Committee's Charter.<sup>10</sup> The composition of the Standards Committee and the election of its members is set forth in Appendix 3B to the NERC Rules of Procedure, *Procedures for Election of Members of the Standards Committee*.

The Standards Committee is responsible for managing the Reliability Standards processes for development of Reliability Standards, definitions, Variances and Interpretations in accordance with this manual. The responsibilities of the Standards Committee are defined in detail in the Standards Committee's Charter. The Standards Committee is responsible for ensuring that the Reliability Standards, definitions, Variances and Interpretations developed by drafting teams are developed in accordance with the processes in this manual and meet NERC's benchmarks for Reliability Standards as well as criteria for governmental approval.<sup>11</sup>

The Standards Committee has the right to remand work to a drafting team, to reject the work of a drafting team, or to accept the work of a drafting team. The Standards Committee may disband a drafting team if it determines (a) that the drafting team is not producing a standard in a timely manner; (b) the drafting team is not able to produce a standard that will achieve industry consensus; (c) the drafting team has not addressed the scope of the SAR; or (d) the drafting team has failed to fully address a regulatory directive or otherwise provided a responsive or equally efficient and effective alternative. The Standards Committee may direct a drafting team to revise its work to follow the processes in this manual or to meet the criteria for NERC's benchmarks for Reliability Standards, or to meet the criteria for governmental approval; however, the Standards Committee shall not direct a drafting team to change the technical content of a draft Reliability Standard.

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<sup>9</sup> The industry Segment qualifications are described in the Development of the Registered Ballot Body and Segment Qualification Guidelines document posted on the Reliability Standards Resources web page and are included in Appendix 3D of the NERC Rules of Procedure.

<sup>10</sup> The Standards Committee Charter is posted on the Reliability Standards Resources web page.

<sup>11</sup> The *Ten Benchmarks of an Excellent Reliability Standard* and FERC's Criteria for Approving Reliability Standards are posted on the Reliability Standards Resources web page.

The Standards Committee shall meet at regularly scheduled intervals (either in person, or by other means). All Standards Committee meetings are open to all interested parties.

### 3.5: NERC Reliability Standards Staff

The NERC Reliability Standards Staff, led by the Director of Standards,<sup>12</sup> is responsible for administering NERC's Reliability Standards processes in accordance with this manual. The NERC Reliability Standards Staff provides support to the Standards Committee in managing the Reliability Standards processes and in supporting the work of all drafting teams. The NERC Reliability Standards Staff works to ensure the integrity of the Reliability Standards processes and consistency of quality and completeness of the Reliability Standards. The NERC Reliability Standards Staff facilitates all steps in the development of Reliability Standards, definitions, Variances, Interpretations and associated implementation plans.

The NERC Reliability Standards Staff is responsible for presenting Reliability Standards, definitions, Variances, and Interpretations to the NERC Board of Trustees for adoption. When presenting Reliability Standards-related documents to the NERC Board of Trustees for adoption or approval, the NERC Reliability Standards Staff shall report the results of the associated stakeholder ballot, including identification of unresolved stakeholder objections and an assessment of the document's practicality and enforceability.

### 3.6: Drafting Teams

The Standards Committee shall appoint industry experts to drafting teams to work with stakeholders in developing and refining Standard Authorization Requests ("SARs"), Reliability Standards, definitions, Variances, and Interpretations. The NERC Reliability Standards Staff shall provide, or solicit from the industry, essential support for each of the drafting teams in the form of technical writers, legal, compliance, and rigorous and highly trained project management and facilitation support personnel.

Each drafting team may consist of a group of technical, legal, and compliance experts that work cooperatively with the support of the NERC Reliability Standards Staff.<sup>13</sup> The technical experts provide the subject matter expertise and guide the development of the technical aspects of the Reliability Standard, assisted by technical writers, legal and compliance experts. The technical experts maintain authority over the technical details of the Reliability Standard. Each drafting team appointed to develop a Reliability Standard is responsible for following the processes identified in this manual as well as procedures developed by the Standards Committee from the inception of the assigned project through the final acceptance of that project by Applicable Governmental Authorities.

Collectively, each drafting team:

- Drafts proposed language for the Reliability Standards, definitions, Variances, and/or Interpretations and associated implementation plans.
- Develops and refines technical documents that aid in the understanding of Reliability Standards.
- Works collaboratively with NERC Compliance Monitoring and Enforcement Staff to develop Reliability Standard Audit Worksheets ("RSAWs") at the same time Reliability Standards are developed.
- Provides assistance to NERC Staff in the development of Compliance Elements of proposed Reliability Standards.

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<sup>12</sup> The Director of Standards may delegate its authority to perform certain responsibilities specified in this manual to another member of the NERC Reliability Standards staff.

<sup>13</sup> The detailed responsibilities of drafting teams are outlined in the Drafting Team Guidelines, which is posted on the Reliability Standards Resources web page.

- Solicits, considers, and responds to comments related to the specific Reliability Standards development project.
- Participates in industry forums to help build consensus on the draft Reliability Standards, definitions, Variances, and/or Interpretations and associated implementation plans.
- Assists in developing the documentation used to obtain governmental approval of the Reliability Standards, definitions, Variances, and/or Interpretations and associated implementation plans.

All drafting teams report to the Standards Committee.

### **3.7: Governmental Authorities**

FERC in the United States of America, and where permissible by statute or regulation, the federal or provincial governments of other North American jurisdictions that have recognized NERC as the ERO have the authority to approve each new, revised or withdrawn Reliability Standard, definition, Variance, VRF, VSL and Interpretation following adoption or approval by the NERC Board of Trustees.

### **3.8: Committees, Subcommittees, Working Groups, and Task Forces**

NERC's technical committees, subcommittees, working groups, and task forces provide technical research and analysis used to justify the development of new Reliability Standards and provide guidance, when requested by the Standards Committee, in overseeing field tests or collection and analysis of data. The technical committees, subcommittees, working groups, and task forces provide feedback to drafting teams during both informal and formal comment periods.

The Standards Committee may request that a NERC technical committee or other group prepare a technical document to support development of a proposed Reliability Standard.

The technical committees, subcommittees, working groups, and task forces share their observations regarding the need for new or modified Reliability Standards or Requirements with the NERC Reliability Standards Staff for use in identifying the need for new Reliability Standards projects for the three-year *Reliability Standards Development Plan*.

### **3.9: Compliance and Certification Committee**

The Compliance and Certification Committee is responsible for monitoring NERC's compliance with its Reliability Standards processes and procedures and for monitoring NERC's compliance with the Rules of Procedure regarding the development of new or revised Reliability Standards, definitions, Variances, and Interpretations. The Compliance and Certification Committee may assist in verifying that each proposed Reliability Standard is enforceable as written before the Reliability Standard is posted for formal stakeholder comment and balloting.

### **3.10: Compliance Monitoring and Enforcement Program**

As applicable, the NERC Compliance Monitoring and Enforcement Program Staff manages and enforces compliance with approved Reliability Standards. Compliance Monitoring and Enforcement Staff are responsible for the development of select compliance tools. The drafting team and the Compliance Monitoring and Enforcement Program Staff shall work together during the Reliability Standard development process to ensure an accurate and consistent understanding of the Requirements and their intent, and to ensure that applicable compliance tools accurately reflect that intent. The goal of this collaboration is to ensure that application of the Reliability Standards in the Compliance Monitoring and Enforcement Program by NERC and the Regional Entities is consistent.

The Compliance Monitoring and Enforcement Program is encouraged to share its observations regarding the need for new or modified Requirements with the NERC Reliability Standards Staff for use in identifying the need for new Reliability Standards projects.

### **3.11: North American Energy Standards Board (“NAESB”)**

While NERC has responsibility for developing Reliability Standards to support reliability, NAESB has responsibility for developing business practices and coordination between reliability and business practices as needed. NERC and NAESB developed and approved a procedure<sup>14</sup> to guide the development of Reliability Standards and business practices where the reliability and business practice components are intricately entwined within a proposed Reliability Standard.

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<sup>14</sup> The NERC NAESB Template Procedure for Joint Standards Development and Coordination is posted on the Reliability Standards Resources web page.

## Section 4.0: Process for Developing, Modifying, Withdrawing or Retiring a Reliability Standard

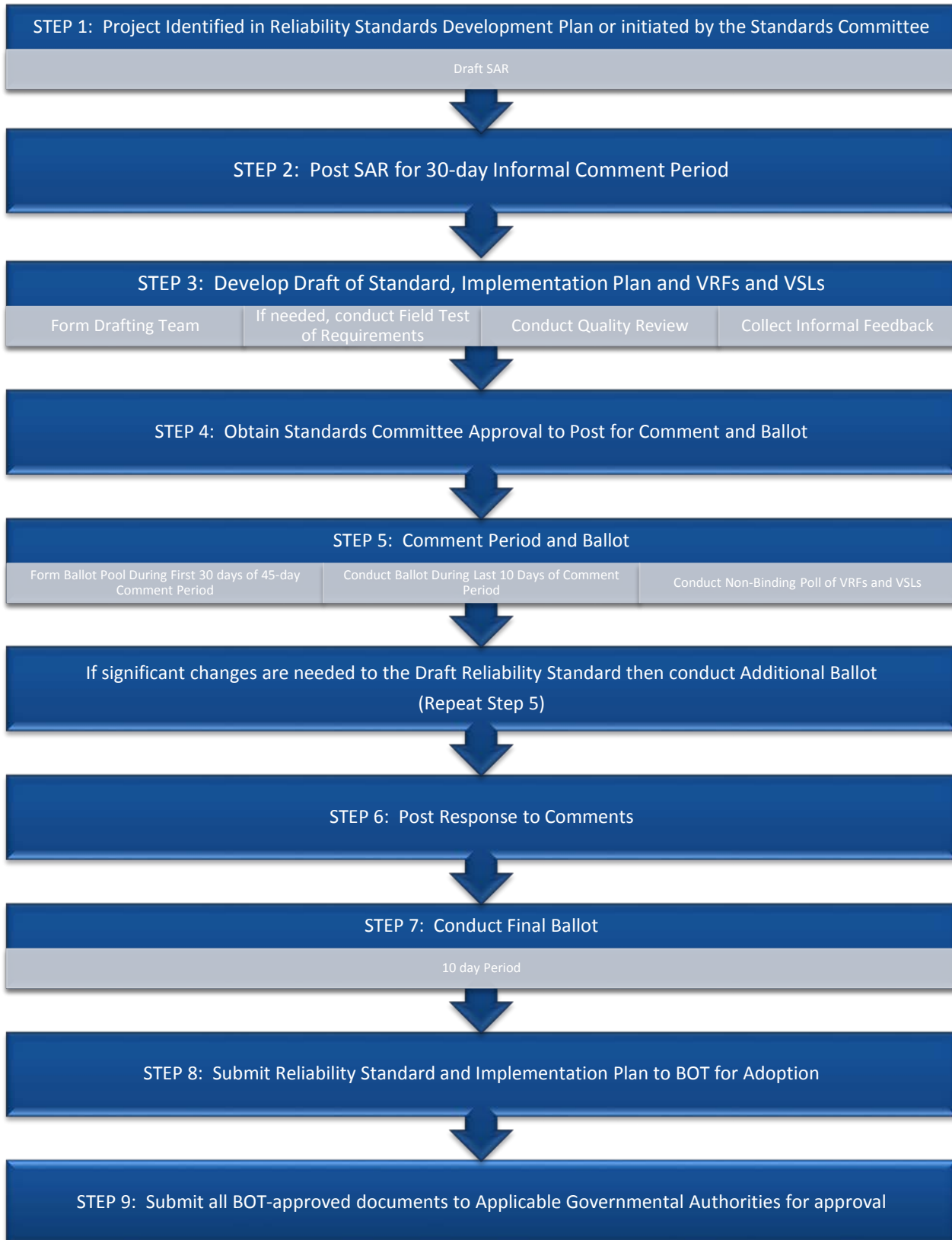
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There are several steps to the development, modification, withdrawal or retirement of a Reliability Standard.<sup>15</sup>

The development of the *Reliability Standards Development Plan* is the appropriate forum for reaching agreement on whether there is a need for a Reliability Standard and the scope of a proposed Reliability Standard. A typical process for a project identified in the *Reliability Standards Development Plan* that involves a revision to an existing Reliability Standard is shown below. Note that most projects do not include a field test.

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<sup>15</sup> The process described is also applicable to projects used to propose a new or modified definition or Variance or to propose retirement of a definition or Variance.



**FIGURE 1: Process for Developing or Modifying a Reliability Standard**

## 4.1: Posting and Collecting Information on SARs

### Standard Authorization Request

A Standard Authorization Request (“SAR”) is the form used to document the scope and reliability benefit of a proposed project for one or more new or modified Reliability Standards or definitions or the benefit of retiring one or more approved Reliability Standards. Any entity or individual, including NERC committees or subgroups and NERC Staff, may propose the development of a new or modified Reliability Standard, or may propose the retirement of a Reliability Standard (in whole or in part), by submitting a completed SAR to the NERC Reliability Standards Staff.<sup>16</sup> The Standards Committee has the authority to approve the posting of all SARs for projects that propose (i) developing a new or modified Reliability Standard or definition or (ii) propose retirement of an existing Reliability Standard (or elements thereof).

The NERC Reliability Standards Staff sponsors an open solicitation period each year seeking ideas for new Reliability Standards projects (using *Reliability Standards Suggestions and Comments forms*). The open solicitation period is held in conjunction with the annual revision to the *Reliability Standards Development Plan*. While the Standards Committee prefers that ideas for new projects be submitted during this annual solicitation period through submittal of a *Reliability Standards Suggestions and Comments Form*,<sup>17</sup> a SAR proposing a specific project may be submitted to the NERC Reliability Standards Staff at any time.

Each SAR that proposes a “new” or substantially revised Reliability Standard or definition should be accompanied by a technical justification that includes, as a minimum, a discussion of the reliability-related benefits and costs of developing the new Reliability Standard or definition, and a technical foundation document (*e.g.*, research paper) to guide the development of the Reliability Standard or definition. The technical document should address the engineering, planning and operational basis for the proposed Reliability Standard or definition, as well as any alternative approaches considered during SAR development.

The NERC Reliability Standards Staff shall review each SAR and work with the submitter to verify that all required information has been provided. All properly completed SARs shall be submitted to the Standards Committee for action at the next regularly scheduled Standards Committee meeting.

When presented with a SAR, the Standards Committee shall determine if the SAR is sufficiently complete to guide Reliability Standard development and whether the SAR is consistent with this manual. The Standards Committee shall take one of the following actions:

- Accept the SAR.
- Remand the SAR back to the requestor or to NERC Reliability Standards Staff for additional work.
- Reject the SAR. The Standards Committee may reject a SAR for good cause. If the Standards Committee rejects a SAR, it shall provide a written explanation for rejection to the sponsor within ten days of the rejection decision.
- Delay action on the SAR pending one of the following: (i) development of a technical justification for the proposed project; or (ii) consultation with another NERC Committee to determine if there is another approach to addressing the issue raised in the SAR.

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<sup>16</sup> The SAR form is available on the Reliability Standards Resources web page.

<sup>17</sup> The *Reliability Standards Suggestions and Comments Form* can be downloaded from the Reliability Standards Resources web page.



If the Standards Committee is presented with a SAR that proposes developing a new Reliability Standard or definition but does not have a technical justification upon which the Reliability Standard or definition can be developed, the Standards Committee shall direct the NERC Reliability Standards Staff to post the SAR for a 30-day comment period solely to collect stakeholder feedback on the scope of technical foundation, if any, needed to support the proposed project. If a technical foundation is determined to be necessary, the Standards Committee shall solicit assistance from NERC's technical committees or other industry experts to provide that foundation before authorizing development of the associated Reliability Standard or definition.

During the SAR comment process, the drafting team may become aware of potential regional Variances related to the proposed Reliability 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 shall be made a part of the draft new or revised Reliability Standard.

If the Standards Committee accepts a SAR, the project shall be added to the list of approved projects. The Standards Committee shall assign a priority to the project, relative to all other projects under development, and those projects already identified in the *Reliability Standards Development Plan* that are already approved for development.

The Standards Committee shall work with the NERC Reliability Standards Staff to coordinate the posting of SARs for new projects, giving consideration to each project's priority.

## 4.2: SAR Posting

When the Standards Committee determines it is ready to initiate a new project, the Standards Committee shall direct NERC Staff to post the project's SAR in accordance with the following:

- For SARs that are limited to addressing regulatory directives, or revisions to Reliability Standards that have had some vetting in the industry, authorize posting the SAR for a 30-day informal comment period with no requirement to provide a formal response to the comments received.
- For SARs that address the development of new projects or Reliability Standards, authorize posting the SAR for a 30-day formal comment period.

If a SAR for a new Reliability Standard is posted for a formal comment period, the Standards Committee shall appoint a drafting team to work with the NERC Staff coordinator to give prompt consideration of the written views and objections of all participants. The Standards Committee may use a public nomination process to populate the Reliability Standard drafting team, or may use another method that results in a team that collectively has the necessary technical expertise and work process skills to meet the objectives of the project. In some situations, an *ad hoc* team may already be in place with the requisite expertise, competencies, and diversity of views that are necessary to refine the SAR and develop the Reliability Standard, and additional members may not be needed. The drafting team shall address all comments submitted during the public posting period. The drafting team may address the comments in the form of a summary response addressing each of the issues raised in comments. 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. If the drafting team concludes that there is not sufficient stakeholder support to continue to refine the SAR, the team may recommend that the Standards Committee direct curtailment of work on the SAR.

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. The Standards Committee shall notify the sponsor in writing of the rejection within 10 days.

If stakeholders indicate support for the project proposed with the SAR, the drafting team shall present its work to the Standards Committee with a request that the Standards Committee authorize development of the associated Reliability Standard.

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

- Authorize drafting the proposed Reliability Standard or revisions to a Reliability Standard.
- Reject the SAR with a written explanation to the sponsor and post that explanation.

### 4.3: Form Drafting Team

When the Standards Committee is ready to have a drafting team begin work on developing a new or revised Reliability Standard, the Standards Committee shall appoint a drafting team, if one was not already appointed to develop the SAR. If the Standards Committee appointed a drafting team to refine the SAR, the same drafting team shall work to develop the associated Reliability Standard.

If no drafting team is in place, then the Standards Committee may use a public nomination process to populate the Reliability Standard drafting team, or may use another method that results in a team that collectively has the necessary technical expertise, diversity of views, and work process skills to accomplish the objectives of the project on a timely basis. In some situations, an ad hoc team may already be in place with the requisite expertise, competencies, and diversity of views that are necessary to develop the Reliability Standard, and additional members may not be needed.

The NERC Reliability Standards Staff shall provide one or more members as needed to support the team with facilitation, project management, compliance, legal, regulatory and technical writing expertise and shall provide administrative support to the team, guiding the team through the steps in completing its project. In developing the Reliability Standard, the individuals provided by the NERC Reliability Standards Staff serve as advisors to the drafting team and do not have voting rights but share accountability along with the drafting team members assigned by the Standards Committee for timely delivery of a final draft Reliability Standard that meets the quality attributes identified in NERC's *Ten Benchmarks of an Excellent Reliability Standard*. The drafting team members assigned by the Standards Committee shall have final authority over the technical details of the Reliability Standard, while the technical writer shall provide assistance to the drafting team in assuring that the final draft of the Reliability Standard meets the quality attributes identified in NERC's *Ten Benchmarks of an Excellent Reliability Standard*.

Once it is appointed by the Standards Committee, the Reliability Standard drafting team is responsible for making recommendations to the Standards Committee regarding the remaining steps in the Reliability Standards process. Consistent with the need to provide for timely standards development, the Standards Committee may decide a project is so large that it should be subdivided and either assigned to more than one drafting team or assigned to a single drafting team with clear direction on completing the project in specified phases. The normally expected timeframes for standards development within the context of this manual are applicable to individual standards and not to projects containing multiple standards. Alternatively, a single drafting team may address the entire project with a commensurate increase in the expected duration of the development work. If a SAR is subdivided and assigned to more than one drafting team, each drafting team will have a clearly defined portion of the work such that there are no overlaps and no gaps in the work to be accomplished.

The Standards Committee may supplement the membership of a Reliability Standard drafting team or provide for additional advisors, as appropriate, to ensure the necessary competencies and diversity of views are maintained throughout the Reliability Standard development effort.

## 4.4: Develop Preliminary Draft of Reliability Standard, Implementation Plan, and VRFs and VSLs

### 4.4.1: Project Schedule

When a drafting team begins its work, either in refining a SAR or in developing or revising a proposed Reliability Standard, the drafting team shall develop a project schedule which shall be approved by the Standards Committee. The drafting team shall report progress to the Standards Committee, against the initial project schedule and any revised schedule as requested by the Standards Committee. Where project milestones cannot be completed on a timely basis, modifications to the project schedule must be presented to the Standards Committee for consideration along with proposed steps to minimize unplanned project delays.

### 4.4.2: Draft Reliability Standard

The team shall develop a Reliability Standard that is within the scope of the associated SAR that includes all required elements as described earlier in this manual and that meets the quality attributes identified in NERC's *Ten Benchmarks of an Excellent Reliability Standard*, with a goal of meeting the criteria for governmental approval.

The drafting team may, at its discretion, develop one or more supporting technical documents to help explain or facilitate understanding of the draft Reliability Standard, implementation plan, VSL, or VRF. These supporting technical documents may include, among other things: (1) reference documents designed to provide the drafting team's technical rationale, analysis, or explanatory information to support the understanding of the draft Reliability Standard or related element; or (2) white papers designed to explain a technical position or concept underlying the draft Reliability Standard or related element. Such documents may be posted during an informal comment period (Section 4.5) or formal comment period (Section 4.7).

### 4.4.3: Implementation Plan

As a drafting team drafts its proposed revisions to a Reliability Standard, that team is also required to develop an implementation plan to identify any factors for consideration when approving the proposed effective date or dates for the associated Reliability Standard or Standards. As a minimum, the implementation plan shall include the following:

- The proposed effective date (the date entities shall be compliant) for the Requirements.
- Identification of any new or modified definitions that are proposed for approval with the associated Reliability Standard.
- Whether there are any prerequisite actions that need to be accomplished before entities are held responsible for compliance with one or more of the Requirements.
- Whether approval of the proposed Reliability Standard will necessitate any conforming changes to any already approved Reliability Standards – and identification of those Reliability Standards and Requirements.
- The Functional Entities that will be required to comply with one or more Requirements in the proposed Reliability Standard.

A single implementation plan may be used for more than one Reliability Standard. The implementation plan is posted with the associated Reliability Standard or Standards during the 45-day formal comment period and is balloted with the associated Reliability Standard.

### 4.4.4: Violation Risk Factors and Violation Severity Levels

The drafting team shall work with NERC Staff in developing a set of VRFs and VSLs that meet the latest criteria established by NERC and Applicable Governmental Authorities. The drafting team shall document its justification for selecting each VRF and for setting each set of proposed VSLs by explaining how its proposed VRFs and VSLs meet

these criteria. NERC Staff is responsible for ensuring that the VRFs and VSLs proposed for stakeholder review meet these criteria.

Before the drafting team has finalized its Reliability Standard, implementation plan, and VRFs and VSLs, the team should seek stakeholder feedback on its preliminary draft documents.

#### **4.5: Informal Feedback<sup>18</sup>**

Drafting teams may use a variety of methods to collect informal stakeholder feedback on preliminary drafts of its documents, including the use of informal comment periods,<sup>19</sup> webinars, industry meetings, workshops, or other mechanisms. Information gathered from informal comment forms shall be publicly posted. While drafting teams are not required to provide a written response to each individual comment received, drafting teams are encouraged, where possible, to post a summary response that identifies how it used comments submitted by stakeholders. Drafting teams are encouraged, where possible, to reach out directly to individual stakeholders in order to facilitate resolution of identified stakeholder concerns. The intent is to gather stakeholder feedback on a “working document” before the document reaches the point where it is considered the “final draft.”

#### **4.6: Conduct Quality Review**

The NERC Reliability Standards Staff shall coordinate a quality review of the Reliability Standard, implementation plan, and VRFs and VSLs in parallel with the development of the Reliability Standard and implementation plan, to assess whether the documents are within the scope of the associated SAR, whether the Reliability Standard is clear and enforceable as written, and whether the Reliability Standard meets the criteria specified in NERC’s *Ten Benchmarks of an Excellent Reliability Standard* and criteria for governmental approval of Reliability Standards. The drafting team shall consider the results of the quality review, decide upon appropriate changes, and recommend to the Standards Committee whether the documents are ready for formal posting and balloting.

The Standards Committee shall authorize posting the proposed Reliability Standard, and implementation plan for a formal comment period and ballot and the VRFs and VSLs for a non-binding poll as soon as the work flow will accommodate.

If the Standards Committee finds that any of the documents do not meet the specified criteria, the Standards Committee shall remand the documents to the drafting team for additional work.

If the Reliability Standard is outside the scope of the associated SAR, the drafting team shall be directed to either revise the Reliability Standard so that it is within the approved scope, or submit a request to expand the scope of the approved SAR. If the Reliability Standard is not clear and enforceable as written, or if the Reliability Standard does not meet the specified criteria, the Reliability Standard shall be returned to the drafting team by the Standards Committee with specific identification of any Requirement that is deemed to be unclear or unenforceable as written.

#### **4.7: Conduct Formal Comment Period and Ballot**

Proposed new or modified Reliability Standards require a formal comment period where the new or modified Reliability Standard, implementation plan and associated VRFs and VSLs or the proposal to retire a Reliability Standard, implementation plan, and associated VRFs and VSLs are posted.

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<sup>18</sup> While this discussion focuses on collecting stakeholder feedback on proposed Reliability Standards and implementation plans, the same process is used to collect stakeholder feedback on proposed new or modified Interpretations, definitions and Variances.

<sup>19</sup> The term “informal comment period” refers to a comment period conducted outside of the ballot process and where there is no requirement for a drafting team to respond in writing to submitted comments.

The formal comment period shall be at least 45-days long. Formation of the ballot pool and Ballot of the Reliability Standard take place during this formal 45-day comment period. The intent of the formal comment period(s) is to solicit very specific feedback on the final draft of the Reliability Standard, implementation plan and VRFs and VSLs.

Comments in written form may be submitted on a draft Reliability Standard by any interested stakeholder, including NERC Staff, FERC Staff, and other interested governmental authorities. If stakeholders disagree with some aspect of the proposed set of products, comments provided should explain the reasons for such disagreement and, where possible, suggest specific language that would make the product acceptable to the stakeholder.

#### **4.8: Form Ballot Pool**

The NERC Reliability Standards Staff shall establish a ballot pool during the first 30 days of the 45-day formal comment period. The NERC Reliability Standards Staff shall post the proposed Reliability Standard, along with its implementation plan, VRFs and VSLs and shall send a notice to every entity in the Registered Ballot Body to provide notice that there is a new or revised Reliability Standard proposed for approval and to solicit participants for the associated ballot pool. All members of the Registered Ballot Body are eligible to join each ballot pool to vote on a new or revised Reliability Standard and its implementation plan and to participate in the non-binding poll of the associated VRFs and VSLs.

Any member of the Registered Ballot Body may join or withdraw from the ballot pool until the ballot window opens. No Registered Ballot Body member may join or withdraw from the ballot pool once the first ballot starts through the point in time where balloting for that Reliability Standard action has ended. The Director of Standards or its designee may authorize deviations from this rule for extraordinary circumstances such as the death, retirement, or disability of a ballot pool member that would prevent an entity that had a member in the ballot pool from eligibility to cast a vote during the ballot window. Any authorized deviation shall be documented and noted to the Standards Committee.

#### **4.9: Conduct Ballot and Non-binding Poll of VRFs and VSLs<sup>20</sup>**

The NERC Reliability Standards Staff shall announce the opening of the Ballot window and the non-binding poll of VRFs and VSLs. The Ballot window and non-binding poll of VRFs and VSLs shall take place during the last 10 days of the 45-day formal comment period and for the Final Ballot shall be no less than 10 days. If the last day of the ballot window falls on a Saturday or Sunday, the period does not end until the next business day.<sup>21</sup>

The ballot and non-binding poll shall be conducted electronically. The voting window shall be for a period of 10 days but shall be extended, if needed, until a quorum is achieved. During a ballot window, NERC shall not sponsor or facilitate public discussion of the Reliability Standard action under ballot.

There is no requirement to conduct a new non-binding poll of the revised VRFs and VSLs if no changes were made to the associated standard, however if the requirements are modified and conforming changes are made to the associated VRFs and VSLs, another non-binding poll of the revised VRFs and VSLs shall be conducted.

#### **4.10: Criteria for Ballot Pool Approval**

Ballot pool approval of a Reliability Standard requires:

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<sup>20</sup> While RSAWs are not part of the Reliability Standard, they are developed through collaboration of the SDT and NERC Compliance Staff. A non-binding poll, similar to what is done for VRFs and VSLs may be conducted for the RSAW developed through this process to gauge industry support for the companion RSAW to be provided for informational purposes to the NERC Board of Trustees.

<sup>21</sup> Closing dates may be extended as deemed appropriate by NERC Staff.

A quorum, which is established by at least 75% of the members of the ballot pool submitting a response; and

A two-thirds majority of the weighted Segment votes cast shall be affirmative. The number of votes cast is the sum of affirmative votes and negative votes with comments. This calculation of votes for the purpose of determining consensus excludes (i) abstentions, (ii) non-responses, and (iii) negative votes without comments.

The following process<sup>22</sup> is used to determine if there are sufficient affirmative votes.

- For each Segment with ten or more voters, the following process shall be used: The number of affirmative votes cast shall be divided by the sum of affirmative and negative votes with comments cast to determine the fractional affirmative vote for that Segment. Abstentions, non-responses, and negative votes without comments shall not be counted for the purposes of determining the fractional affirmative vote for a Segment.
- For each Segment with less than ten voters, the vote weight of that Segment shall be proportionally reduced. Each voter within that Segment voting affirmative or negative with comments shall receive a weight of 10% of the Segment vote.
- The sum of the fractional affirmative votes from all Segments divided by the number of Segments voting<sup>23</sup> shall be used to determine if a two-thirds majority has been achieved. (A Segment shall be considered as “voting” if any member of the Segment in the ballot pool casts either an affirmative vote or a negative vote with comments.)
- A Reliability Standard shall be approved if the sum of fractional affirmative votes from all Segments divided by the number of voting Segments is at least two thirds.

## 4.11: Voting Positions

Each member of the ballot pool may **only** vote one of the following positions on the Ballot and Additional Ballot(s):

- Affirmative;
- Affirmative, with comment;
- Negative with comments;
- Abstain.

Given that there is no formal comment period concurrent with the Final Ballot, each member of the ballot pool may **only** vote one of the following positions on the Final Ballot:

- Affirmative;
- Negative;<sup>24</sup>
- Abstain.

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<sup>22</sup> Examples of weighted segment voting calculation are posted on the Reliability Standards Resources web page.

<sup>23</sup> 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.

<sup>24</sup> The Final Ballot is used to confirm consensus achieved during the Formal Comment and Ballot stage. Ballot Pool members voting negative on the Final Ballot will be deemed to have expressed the reason for their negative ballot in their own comments or the comments of others during prior Formal Comment periods.

## 4.12: Consideration of Comments and Additional Ballots

A drafting team must respond in writing to every stakeholder written comment submitted in response to a ballot prior to conducting a Final Ballot. These responses may be provided in summary form, but all comments and objections must be responded to by the drafting team. All comments received and all responses shall be publicly posted.

If a stakeholder or balloter proposes a significant revision to a Reliability Standard during the formal comment period or concurrent Ballot that will improve the quality, clarity, or enforceability of that Reliability Standard, then the drafting team may choose to make such revisions and post the revised Reliability Standard for another 45-day public comment period and ballot. A drafting team is not required to respond in writing to comments to the previous ballot when it determines that significant changes are needed and an Additional Ballot will be conducted. Prior to posting the revised Reliability Standard for an additional comment period, the drafting team must communicate this decision to stakeholders. This communication is intended to inform stakeholders that the drafting team has identified that significant revisions to the Reliability Standard are necessary and should note that the drafting team is not required to respond in writing to comments from the previous ballot. The drafting team will respond to comments received in the last Additional Ballot prior to conducting a Final Ballot.

There are no limits to the number of public comment periods and ballots that can be conducted to result in a Reliability Standard or Interpretation that is clear and enforceable, and achieves a quorum and sufficient affirmative votes for approval. The Standards Committee has the authority to conclude this process for a particular Reliability Standards action if it becomes obvious that the drafting team cannot develop a Reliability Standard that is within the scope of the associated SAR, is sufficiently clear to be enforceable, and achieves the requisite weighted Segment approval percentage.

## 4.13: Conduct Final Ballot

When the drafting team has reached a point where it has made a good faith effort at resolving applicable objections and is not making any substantive changes from the previous ballot, the team shall conduct a “Final Ballot.” A non-substantive revision is a revision that does not change the scope, applicability, or intent of any Requirement and includes but is not limited to things such as correcting the numbering of a Requirement, correcting the spelling of a word, adding an obviously missing word, or rephrasing a Requirement for improved clarity. Where there is a question as to whether a proposed modification is “substantive,” the Standards Committee shall make the final determination.

In the Final Ballot, members of the ballot pool shall again be presented the proposed Reliability Standard along with the reasons for negative votes from the previous ballot, the responses of the drafting team to those concerns, and any resolution of the differences.

All members of the ballot pool shall be permitted to reconsider and change their vote from the prior ballot. Members of the ballot pool who did not respond to the prior ballot shall be permitted to vote in the Final Ballot. In the Final Ballot, votes shall be counted by exception only — members on the Final Ballot may indicate a revision to their original vote; otherwise their vote shall remain the same as in their prior ballot.

There is no formal comment period concurrent with the Final Ballot and no obligation for the drafting team to respond to any comments submitted during the Final Ballot.

## 4.14: Final Ballot Results

The NERC Reliability Standards Staff shall post the final outcome of the ballot process. If the Reliability Standard is rejected, the Standards Committee may decide whether to end all further work on the proposed standard, return the project to informal development, or continue holding ballots to attempt to reach consensus on the proposed standard. If the Reliability Standard is approved, the Reliability Standard shall be posted and presented to the Board

of Trustees by NERC management for adoption and subsequently filed with Applicable Governmental Authorities for approval.

#### **4.15: Board of Trustees Adoption of Reliability Standards, Implementation Plan and VRFs and VSLs**

If a Reliability Standard and its associated implementation plan are approved by its ballot pool, the Board of Trustees shall consider adoption of that Reliability Standard and its associated implementation plan and shall direct the standard to be filed with Applicable Governmental Authorities for approval. In making its decision, the Board shall consider the results of the balloting and unresolved dissenting opinions. The Board shall adopt or reject a Reliability Standard and its implementation plan, but shall not modify a proposed Reliability Standard. If the Board chooses not to adopt a Reliability Standard, it shall provide its reasons for not doing so.

The Board shall consider approval of the VRFs and VSLs associated with a Reliability Standard. In making its determination, the board shall consider the following:

- The Standards Committee shall present the results of the non-binding poll conducted and a summary of industry comments received on the final posting of the proposed VRFs and VSLs.
- NERC Staff shall present a set of recommended VRFs and VSLs that considers the views of the standard drafting team, stakeholder comments received on the draft VRFs and VSLs during the posting for comment process, the non-binding poll results, appropriate governmental agency rules and directives, and VRF and VSL assignments for other Reliability Standards to ensure consistency and relevance across the entire spectrum of Reliability Standards.

#### **4.16: Compliance**

For a Reliability Standard to be enforceable, it shall be approved by its ballot pool, adopted by the NERC Board of Trustees, and approved by Applicable Governmental Authorities, unless otherwise approved by the NERC Board of Trustees pursuant to the NERC Rules of Procedure (*e.g.*, Section 321) and approved by Applicable Governmental Authorities. Once a Reliability Standard is approved or otherwise made mandatory by Applicable Governmental Authorities, all persons and organizations subject to jurisdiction of the ERO will be required to comply with the Reliability Standard in accordance with applicable statutes, regulations, and agreements.

#### **4.17: Withdrawal of a Reliability Standard, Interpretation, or Definition**

The term “withdrawal” as used herein, refers to the discontinuation of a Reliability Standard, Interpretation, Variance or definition that has been approved by the Board of Trustees and (1) has not been filed with Applicable Governmental Authorities, or (2) has been filed with, but not yet approved by, Applicable Governmental Authorities. The Standards Committee may withdraw a Reliability Standard, Interpretation or definition for good cause upon approval by the Board of Trustees. Upon approval by the Board of Trustees, NERC Staff will petition the Applicable Governmental Authorities, as needed, to allow for withdrawal. The Board of Trustees also has an independent right of withdrawal that is unaffected by the terms and conditions of this Section.

#### **4.18: Retirement of a Reliability Standard, Interpretation, or Definition**

The term “retirement” refers to the discontinuation of a Reliability Standard, Interpretation or definition that has been approved by Applicable Governmental Authorities. A Reliability Standard, Variance or Definition may be retired when it is superseded by a revised version, and in such cases the retirement of the earlier version is to be noted in the implementation plan presented to the ballot pool for approval and the retirement shall be considered approved by the ballot pool upon ballot pool approval of the revised version.



Upon identification of a need to retire a Reliability Standard, Variance, Interpretation or definition, where the item will not be superseded by a new or revised version, a SAR containing the proposal to retire a Reliability Standard, Variance, Interpretation or definition will be posted for a comment period and ballot in the same manner as a Reliability Standard. The proposal shall include the rationale for the retirement and a statement regarding the impact of retirement on the reliability of the Bulk Power System. Upon approval by the Board of Trustees, NERC Staff will petition the Applicable Governmental Authorities to allow for retirement.

## Section 5.0: Process for Developing a Defined Term

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NERC maintains a glossary of approved terms, entitled the *Glossary of Terms Used in NERC Reliability Standards*<sup>25</sup> (“Glossary of Terms”). The Glossary of Terms includes terms that have been through the formal approval process and are used in one or more NERC Reliability Standards. Definitions shall not contain statements of performance Requirements. The Glossary of Terms is intended to provide consistency throughout the Reliability Standards.

There are several methods that can be used to add, modify or retire a defined term used in a continent-wide Reliability Standard.

- Anyone can use a Standard Authorization Request (“SAR”) to submit a request to add, modify, or retire a defined term.
- Anyone can submit a Standards Comments and Suggestions Form recommending the addition, modification, or retirement of a defined term. (The suggestion would be added to a project and incorporated into a SAR.)
- A drafting team may propose to add, modify, or retire a defined term in conjunction with the work it is already performing.

### 5.1: Proposals to Develop a New or Revised Definition

The following considerations should be made when considering proposals for new or revised definitions:

- Some NERC Regional Entities have defined terms that have been approved for use in Regional Reliability Standards, and where the drafting team agrees with a term already defined by a Regional Entity, the same definition should be adopted if needed to support a NERC Reliability Standard.
- If a term is used in a Reliability Standard according to its common meaning (as found in a collegiate dictionary), the term shall not be proposed for addition to the Glossary of Terms.
- If a term has already been defined, any proposal to modify or delete that term shall consider all uses of the definition in approved Reliability Standards, with a goal of determining whether the proposed modification is acceptable, and whether the proposed modification would change the scope or intent of any approved Reliability Standards.
- When practical, where NAESB has a definition for a term, the drafting team shall use the same definition to support a NERC Reliability Standard.

Any definition that is balloted separately from a proposed new or modified Reliability Standard or from a proposal for retirement of a Reliability Standard shall be accompanied by an implementation plan.

If a SAR is submitted to the NERC Reliability Standards Staff with a proposal for a new or revised definition, the Standards Committee shall consider the urgency of developing the new or revised definition and may direct NERC Staff to post the SAR immediately, or may defer posting the SAR until a later time based on its priority relative to other projects already underway or already approved for future development. If the SAR identifies a term that is used in a Reliability Standard already under revision by a drafting team, the Standards Committee may direct the drafting team to add the term to the scope of the existing project. Each time the Standards Committee accepts a SAR for a project that was not identified in the *Reliability Standards Development Plan*, the project shall be added to the list of approved projects.

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<sup>25</sup> The latest approved version of the Glossary of Terms is posted on the NERC website on the Standards web page.

## 5.2: Stakeholder Comments and Approvals

Any proposal for a new or revised definition shall be processed in the same manner as a Reliability Standard and quality review shall be conducted in parallel with this process. Once authorized by the Standards Committee, the proposed definition and its implementation plan shall be posted for at least one formal stakeholder comment period and shall be balloted in the same manner as a Reliability Standard. If a new or revised definition is proposed by a drafting team, that definition may be balloted separately from the associated Reliability Standard.

Each definition that is approved by its ballot pool shall be submitted to the NERC Board of Trustees for adoption and then filed with Applicable Governmental Authorities for approval in the same manner as a Reliability Standard.

## Section 6.0: Process for Conducting Field Tests

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While most drafting teams can develop Reliability Standards without the need to conduct any field tests and without the need to collect and analyze data, some Reliability Standard development efforts may benefit from field tests to analyze data and validate concepts in the development of Reliability Standards. Drafting teams are not required to collect and analyze data or to conduct a field test to validate a Reliability Standard.

A field test is initiated by either a SAR or Reliability Standard drafting team. The drafting team is responsible for developing the field test plan, including the implementation schedule, and identifying compliance-related issues, such as the potential need for compliance waivers. Participation in a field test is voluntary.

### 6.1: Field Tests and Data Analysis (collectively “field test”)

- Field tests to validate concepts supporting the development of Reliability Standards should be conducted before finalizing the SAR for a project.
- To conduct a field test of a technical concept in a proposed new or revised Reliability Standard, the SAR or standard drafting team shall work with NERC Staff to identify one of NERC’s technical committees to oversee the field test as well as other technical committees with relevant technical expertise.
- The drafting team shall perform the field test, in coordination with NERC Staff and under the supervision of the assigned technical committee, in accordance with an approved field test plan. The drafting team may be assisted by other individuals based on the required expertise needed to support the field test.
- The lead NERC technical committee shall identify potential field test participants.

#### 6.1.1: Field Test Approval

The request to conduct a field test shall include, at a minimum:

- the field test plan;
- the implementation schedule; and
- a schedule for providing periodic updates regarding field test results and analysis to the lead NERC technical committee.

Prior to the drafting team conducting a field test, the drafting team shall: (i) first receive approval from the lead NERC technical committee; and (ii) then receive approval from the Standards Committee.

The lead NERC technical committee shall base its approval on the technical adequacy of the field test request. Following approval, the lead NERC technical committee shall provide a recommendation to the Standards Committee for the disposition of the field test request.

The Standards Committee’s decision to approve the field test request shall be based on: (i) an affirmative recommendation from the lead NERC technical committee regarding the field test plan; and (ii) the Standards Committee’s approval of the implementation schedule and the periodic update schedule. If the Standards Committee rejects the field test request, the Standards Committee shall provide an explanation of the decision to the lead NERC technical committee.

#### 6.1.2: Compliance Waivers

Compliance waivers may be required for Registered Entities that would be rendered incapable of complying with the Requirement(s) of a currently-enforceable Reliability Standard due to their participation in the field test. The NERC Compliance Monitoring and Enforcement Program Staff shall determine whether to approve any such compliance

waivers and shall be responsible for approving any modifications or terminations to approved waivers that may become necessary in the course of conducting the field test. Staff shall notify the affected Registered Entities of all compliance waiver determinations.

### **6.1.3: Field Test Suspension for Reliability Concerns**

During the field test, if NERC or the lead NERC technical committee overseeing the field test determines that the field test is creating a reliability risk to the Bulk Power System, NERC or the lead NERC technical committee shall:

- stop the activity;
- inform the Standards Committee that the activity was stopped; and
- if NERC or the lead technical committee is of the opinion a modification to the field test is necessary, provide a technical justification to the drafting team.

The Standards Committee, with the assistance of NERC Staff, shall:

- document the cessation or modification of the field test; and
- notify NERC Compliance Monitoring and Enforcement Program Staff to coordinate any compliance-related issues such as continuing or terminating waivers, where applicable (see Section 6.1.2).

Prior to modifying the field test or restarting the field test after it has been stopped, the drafting team shall resubmit the field test request and receive approval as outlined in Section 6.1.1.

### **6.1.4: Continuing, Modifying, or Terminating a Field Test**

If the drafting team determines that a field test does not provide sufficient information to formulate a conclusion within the time allotted in the plan, it shall provide to the lead NERC technical committee and the chair of the Standards Committee a recommendation to continue, modify, or terminate the field test. The lead NERC technical committee shall either approve or reject a request to continue, modify, or terminate the field test and thereafter provide notice to the Standards Committee chair of its decision. The Standards Committee shall notify NERC Compliance Monitoring and Enforcement Program Staff to coordinate any compliance-related issues such as continuing or terminating waivers (see Section 6.1.2).

If the duration of the field test is extended beyond the period of standard development, NERC Staff shall post the preliminary report and results on the NERC web site prior to the final ballot of the Reliability Standard.

## **6.2: Communication and Coordination for All Types of Field Tests**

The approved field test plan and any modifications thereto, along with all field test reports and results, shall be publicly posted on the NERC web site. The participant list shall also be posted, unless posting this list would present confidentiality or other concerns.

## Section 7.0: Process for Developing an Interpretation

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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. A valid Interpretation response provides additional clarity about one or more Requirements, but does not expand on any Requirement and does not explain how to comply with any Requirement. Any entity that is directly and materially affected by the reliability of the North American Bulk Power Systems may request an Interpretation of any Requirement in any continent-wide Reliability Standard that has been adopted by the NERC Board of Trustees. Interpretations will only be provided for Board of Trustees-approved Reliability Standards *i.e.* (i) the current effective version of a Reliability Standard; or (ii) a version of a Reliability Standard with a future effective date.

### 7.1: Valid Interpretation Criteria

A valid Interpretation may only clarify or explain the meaning of the language of the Requirement(s) of an approved Reliability Standard, including, if applicable, any referenced attachment. A valid Interpretation may not alter the scope or language of a Requirement or referenced attachment. No other elements of an approved Reliability Standard are subject to an Interpretation.

### 7.2: Process for Requesting an Interpretation

The entity requesting an Interpretation shall submit a *Request for Interpretation* form<sup>26</sup> to NERC Staff explaining the clarification or explanation requested, the specific circumstances surrounding the request, and the impact of not having the Interpretation provided. NERC Staff shall review the request for Interpretation to determine whether it meets the criteria for a valid Interpretation. Based on this review, NERC Staff shall make a recommendation to the Standards Committee whether to accept the request for Interpretation and move forward in responding to the Interpretation request. NERC Staff shall periodically communicate to the Standards Committee the status of all Interpretation requests that are pending resolution.

#### 7.2.1: Rejection of an Interpretation Request

The Standards Committee may reject a request for Interpretation in the following circumstances:

- The request seeks approval of a particular compliance approach.<sup>27</sup>
- The issue can be addressed by incorporating the issue into an existing standard development project or a project contemplated in a published development plan.
- The request seeks clarification or explanation of any element of a Reliability Standard other than a Requirement or referenced attachment.
- The issue has already been addressed in the record.<sup>28</sup>
- The request identifies an issue and proposes the development of a new or modified Reliability Standard (such issues should be addressed via submission of a SAR).
- The request seeks to alter the scope of a Reliability Standard.
- The meaning of a Reliability Standard is clear and evident by inspection or the plain words that are written.

If the Standards Committee rejects the Interpretation request, it shall provide a written explanation for the rejection to the entity requesting the Interpretation within 10 business days of the decision to reject.

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<sup>26</sup> The *Request for Interpretation* form is posted on the NERC Standards web page.

<sup>27</sup> Requests that seek approval of specific compliance approaches, or examples of compliance, are not candidates for Interpretations and should be pursued through the applicable NERC Compliance Monitoring and Enforcement Program processes.

<sup>28</sup> The “record” is generally understood to refer to the record of development, regulatory approval record, or other materials developed to support the development or approval of a Reliability Standard.

### 7.2.2: Acceptance of an Interpretation Request

If the Standards Committee accepts the Interpretation request, it shall authorize NERC Staff to assemble an Interpretation drafting team for approval by the Standards Committee with the relevant expertise to address the request.

### 7.2.3: Development of an Interpretation

As soon as practical, the Interpretation drafting team shall develop a draft Interpretation, consistent with Section 7.1. Interpretations shall be developed in accordance with the following process:

- NERC Staff shall review the draft Interpretation to determine whether it meets the criteria for a valid Interpretation and shall provide to the Standards Committee a recommendation to authorize posting or remand to the Interpretation drafting team for further work.
- The Standards Committee, after reviewing the recommendation, shall determine whether to authorize posting of the draft Interpretation for comment and ballot.
- Interpretations shall be balloted in the same manner as Reliability Standards (*see* Section 4.0).

If the ballot results indicate that there is not a consensus for the Interpretation, and the Interpretation drafting team cannot revise the Interpretation without violating the basic criteria for what constitutes a valid Interpretation (*see* Section 7.1), the Interpretation drafting team shall notify the Standards Committee of its conclusion and may submit a SAR with the proposed modification to the Reliability Standard. The entity that requested the Interpretation shall be notified in writing and the disposition of the Interpretation shall be posted.

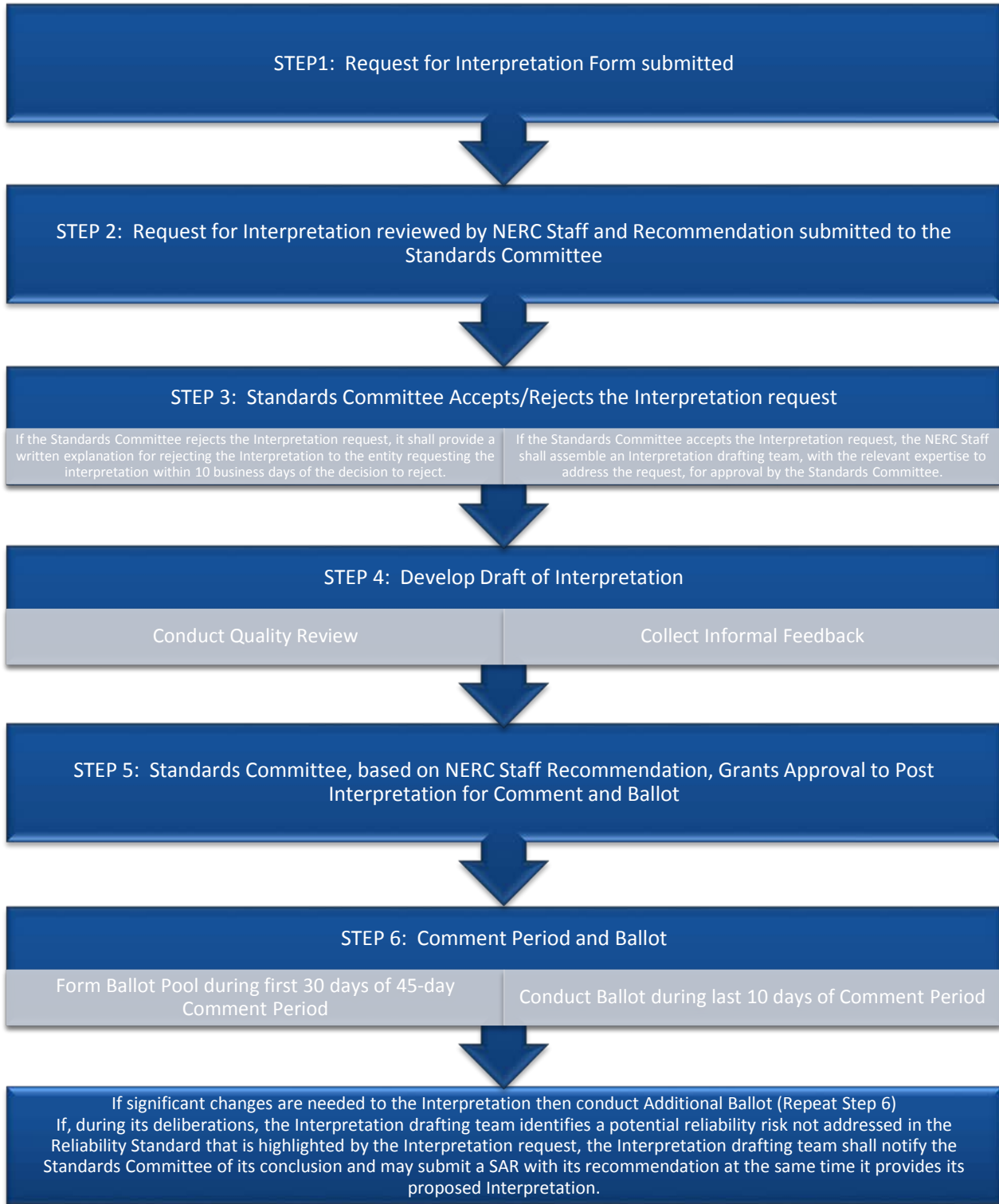
If, during its deliberations, the Interpretation drafting team identifies a potential reliability risk not addressed in the Reliability Standard that is highlighted by the Interpretation request, the Interpretation drafting team shall notify the Standards Committee of its conclusion and may submit a SAR with its recommendation at the same time it provides its proposed Interpretation.

If the ballot pool approves the Interpretation, NERC Staff shall review it to determine whether it meets the criteria for a valid Interpretation and shall make a recommendation to the NERC Board of Trustees regarding adoption.

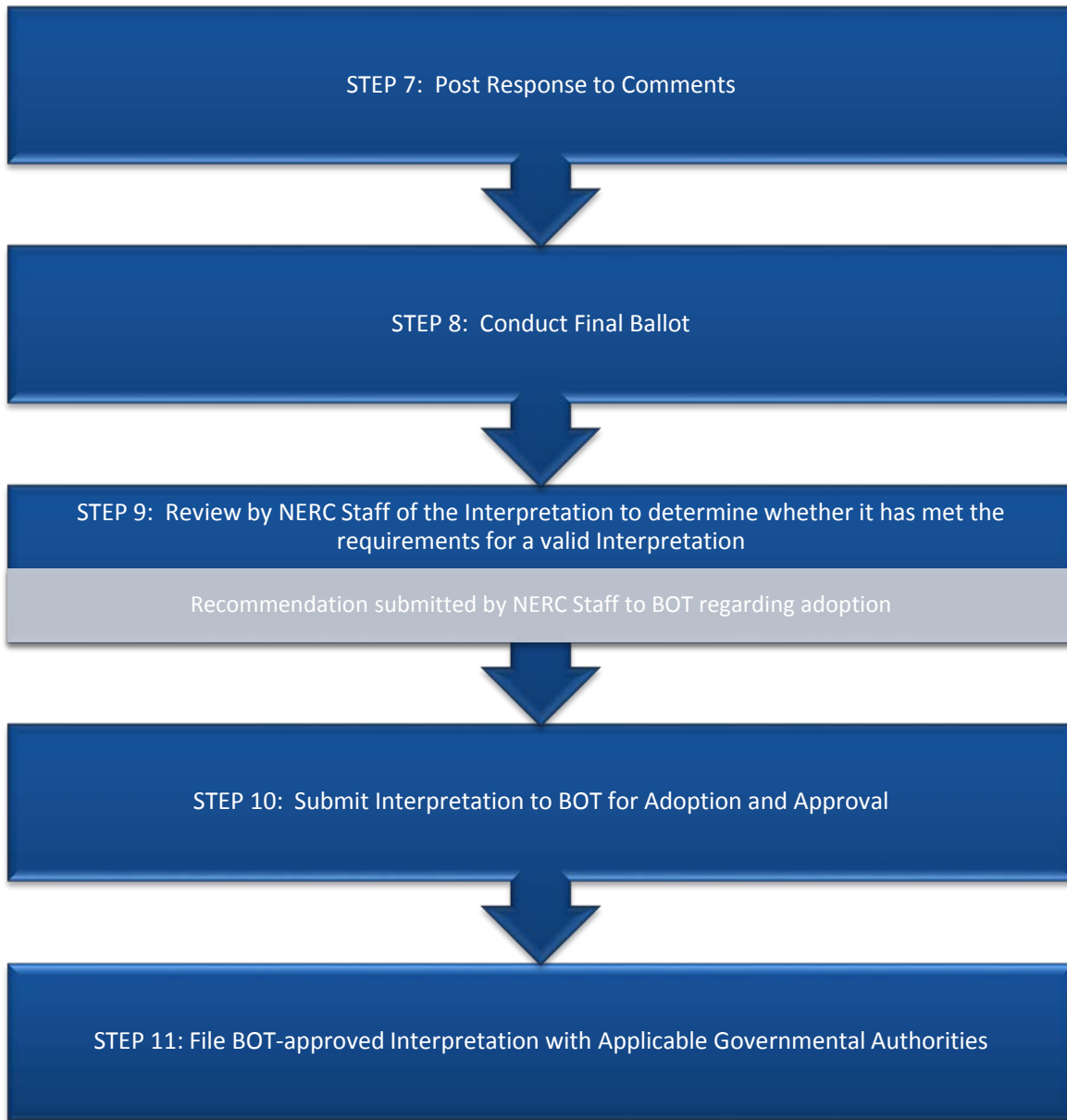
If an Interpretation drafting team recommends modifying a Reliability Standard based on its work in developing the Interpretation, the Board of Trustees shall be notified of this recommendation at the time the Interpretation is submitted for adoption. Following Board of Trustees adoption, the Interpretation shall be filed with the Applicable Governmental Authorities, and the Interpretation shall become effective when approved by those Applicable Governmental Authorities.<sup>29</sup> The Interpretation shall stand until it can be incorporated into a future revision of the Reliability Standard or is retired due to a future modification of the applicable Requirement.

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<sup>29</sup> NERC will maintain a record of all Interpretations associated with each standard on the Reliability Standards page of the NERC website.







**FIGURE 2: Process for Developing an Interpretation**

## Section 8.0: Process for Appealing an Action or Inaction

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Any entity that has directly and materially affected interests and that has been or will be adversely affected by any procedural action or inaction related to the development, approval, revision, reaffirmation, retirement or withdrawal of a Reliability Standard, definition, Variance, associated implementation plan, or Interpretation shall have the right to appeal. This appeals process applies only to the NERC Reliability Standards processes as defined in this manual, not to the technical content of the Reliability Standards action.

The burden of proof to show adverse effect shall be on the appellant. Appeals shall be made in writing 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. 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.

### 8.1: Level 1 Appeal

Level 1 is the required first step in the appeals process. The appellant shall submit (to the Director of Standards) a complaint in writing that describes the procedural action or inaction associated with the Reliability Standards process. The appellant shall describe in the complaint the actual or potential adverse impact to the appellant. Assisted by NERC Staff and industry resources as needed, the Director of Standards or its designee 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 shall be made a part of the public record associated with the Reliability Standard.

At any time prior to receiving the written response to the Level 1 Appeal, an appellant may withdraw the Level 1 Appeal with written notice to the Director of Standards.

### 8.2: 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 Director of Standards, the Director of Standards or its designee shall convene a Level 2 Appeals Panel. This panel shall consist of five members 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 NERC Reliability Standards Staff 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 entity that is directly and materially affected by the 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, definition, Variance or Interpretation or implementation plan as these responsibilities remain with the ballot pool and Board of Trustees respectively. The actions of the Level 2 Appeals Panel shall be publicly posted.

At any time prior to the meeting of the Level 2 Appeals Panel, an appellant may withdraw the Level 2 Appeal and accept the results of the Level 1 Appeal by providing written notice to the Director of Standards.

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, definition, Variance or Interpretation. The objection shall 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 shall be filed no later than 30 days after the announcement of the vote by the ballot pool on the Reliability Standard in question.

## Section 9.0: Process for Developing a Variance

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A Variance is an approved, alternative method of achieving the reliability intent of one or more Requirements in a Reliability Standard. No Regional Entity or Bulk Power System owner, operator, or user shall claim a Variance from a NERC Reliability Standard without approval of such a Variance through the relevant Reliability Standard approval procedure for the Variance. Each Variance from a NERC Reliability Standard that is approved by NERC and Applicable Governmental Authorities shall be made an enforceable part of the associated NERC Reliability Standard.

NERC's drafting teams shall aim to develop Reliability Standards with Requirements that apply on a continent-wide basis, minimizing the need for Variances while still achieving the Reliability Standard's reliability objectives. If one or more Requirements cannot be met or complied with as written because of a physical difference in the Bulk Power System or because of an operational difference (such as a conflict with a federally or provincially approved tariff), but the Requirement's reliability objective can be achieved in a different fashion, an entity or a group of entities may pursue a Variance from one or more Requirements in a continent-wide Reliability Standard. It is the responsibility of the entity that needs a Variance to identify that need and initiate the processing of that Variance through the submittal of a SAR<sup>30</sup> that includes a clear definition of the basis for the Variance.

There are two types of Variances – those that apply on an Interconnection-wide basis, and those that apply to one or more entities on less than an Interconnection-wide basis.

### 9.1: Interconnection-wide Variances

Any Variance from a NERC Reliability Standard Requirement that is proposed to apply to Registered Entities within a Regional Entity organized on an Interconnection-wide basis shall be considered an Interconnection-wide Variance and shall be developed through that Regional Entity's NERC-approved Regional Reliability Standards development procedure.

Where a Regional Entity is not organized on an Interconnection-wide basis, but a Variance is proposed to apply to Registered Entities within an Interconnection wholly contained in that Regional Entity's footprint, the Variance may be developed through that Regional Entity's NERC-approved Regional Reliability Standards development procedure.

While an Interconnection-wide Variance may be developed through the associated Regional Reliability Standards development process, Regional Entities are encouraged to work collaboratively with existing continent-wide drafting teams to reduce potential conflicts between the two efforts.

An Interconnection-wide 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 associated NERC Reliability Standard. NERC shall rebuttably presume that an Interconnection-wide Variance from a NERC Reliability Standard that is developed, in accordance with a Regional Reliability Standards development 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.

### 9.2: Variances that Apply on Less than an Interconnection-wide Basis

Any Variance from a NERC Reliability Standard Requirement that is proposed to apply to one or more entities but less than an entire Interconnection (*e.g.*, 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 considered a Variance. A Variance may be requested while a Reliability Standard is under development or a Variance may be requested at any time after

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<sup>30</sup> A sample of a SAR that identifies the need for a Variance and a sample Variance are posted as resources on the Reliability Standards Resources web page.

a Reliability Standard is approved. Each request for a Variance shall be initiated through a SAR, and processed and approved in the same manner as a continent-wide Reliability Standard, using the Reliability Standards development process defined in this manual.

## Section 10.0: Processes for Developing a Reliability Standard Related to a Confidential Issue

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While it is NERC’s intent to use its ANSI-accredited Reliability Standards development process for developing its Reliability Standards, NERC has an obligation as the ERO to ensure that there are Reliability Standards in place to preserve the reliability of the interconnected Bulk Power Systems throughout North America. When faced with a national security emergency situation, NERC may use one of the following special processes to develop a Reliability Standard that addresses an issue that is confidential. Reliability Standards developed using one of the following processes shall be called, “special Reliability Standards” and shall not be filed with ANSI for approval as American National Standards.

The NERC Board of Trustees may direct the development of a new or revised Reliability Standard to address a national security situation that involves confidential issues. These situations may involve imminent or long-term threats. In general, these Board directives will be driven by information from the President of the United States of America or the Prime Minister of Canada or a national security agency or national intelligence agency of either or both governments indicating (to the ERO) that there is a national security threat to the reliability of the Bulk Power System.<sup>31</sup>

There are two special processes for developing Reliability Standards responsive to confidential issues – one process where the confidential issue is “imminent,” and one process where the confidential issue is “not imminent.”

### 10.1: Process for Developing Reliability Standards Responsive to Imminent, Confidential Issues

If the NERC Board of Trustees directs the immediate development of a new or revised Reliability Standard to address a confidential national security emergency situation, the NERC Reliability Standards Staff shall develop a SAR, form a ballot pool (to vote on the Reliability Standard and its implementation plan) and assemble a slate of pre-defined subject matter experts as a proposed drafting team for approval by the Standards Committee’s officers. All members of the Registered Ballot Body shall have the opportunity to join the ballot pool.

### 10.2: Drafting Team Selection

The Reliability Standard drafting team selection process shall be limited to just those candidates who have already been identified as having the appropriate security clearance, the requisite technical expertise, and either have signed or are willing to sign a strict confidentiality agreement.

### 10.3: Work of Drafting Team

The Reliability Standard drafting team shall perform all its work under strict security and confidentiality rules. The Reliability Standard drafting team shall develop the new or revised Reliability Standard and its implementation plan.

The Reliability Standard drafting team shall review its work, to the extent practical, as it is being developed with officials from the appropriate governmental agencies in the U.S. and Canada, under strict security and confidentiality rules.

### 10.4: Formal Stakeholder Comment & Ballot Window

The draft Reliability Standard and its implementation plan shall be distributed for a formal comment period, under strict confidentiality rules, only to those entities that are listed in the NERC Compliance Registry to perform one of the functions identified in the applicability section of the Reliability Standard and have identified individuals from

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<sup>31</sup> The NERC Board may direct the immediate development and issuance of a Level 3 (Essential Action) alert and then may also direct the immediate development of a new or revised Reliability Standard.

their organizations that have signed confidentiality agreements with NERC.<sup>32</sup> At the same time, the Reliability Standard shall be distributed to the members of the ballot pool for review and ballot. The NERC Reliability Standards Staff shall not post or provide the ballot pool with any confidential background information.

The drafting team, working with the NERC Reliability Standards Staff, shall consider and respond to all comments, make any necessary conforming changes to the Reliability Standard and its implementation plan, and shall distribute the comments, responses and any revision to the same population as received the initial set of documents for formal comment and ballot.

### **10.5: Board of Trustee Actions**

Each Reliability Standard and implementation plan developed through this process shall be submitted to the NERC Board of Trustees for adoption.

### **10.6: Governmental Approvals**

All approved documents shall be filed for approval with Applicable Governmental Authorities.

### **10.7: Developing a Reliability Standard Responsive to an Imminent, Confidential Issue**

The following flowchart illustrates the process for developing a Reliability Standard responsive to an imminent, confidential issue:

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<sup>32</sup> In this phase of the process, only the proposed Reliability Standard shall be distributed to those entities expected to comply, not the rationale and justification for the Reliability Standard. Only the special drafting team members, who have the appropriate security credentials, shall have access to this rationale and justification.

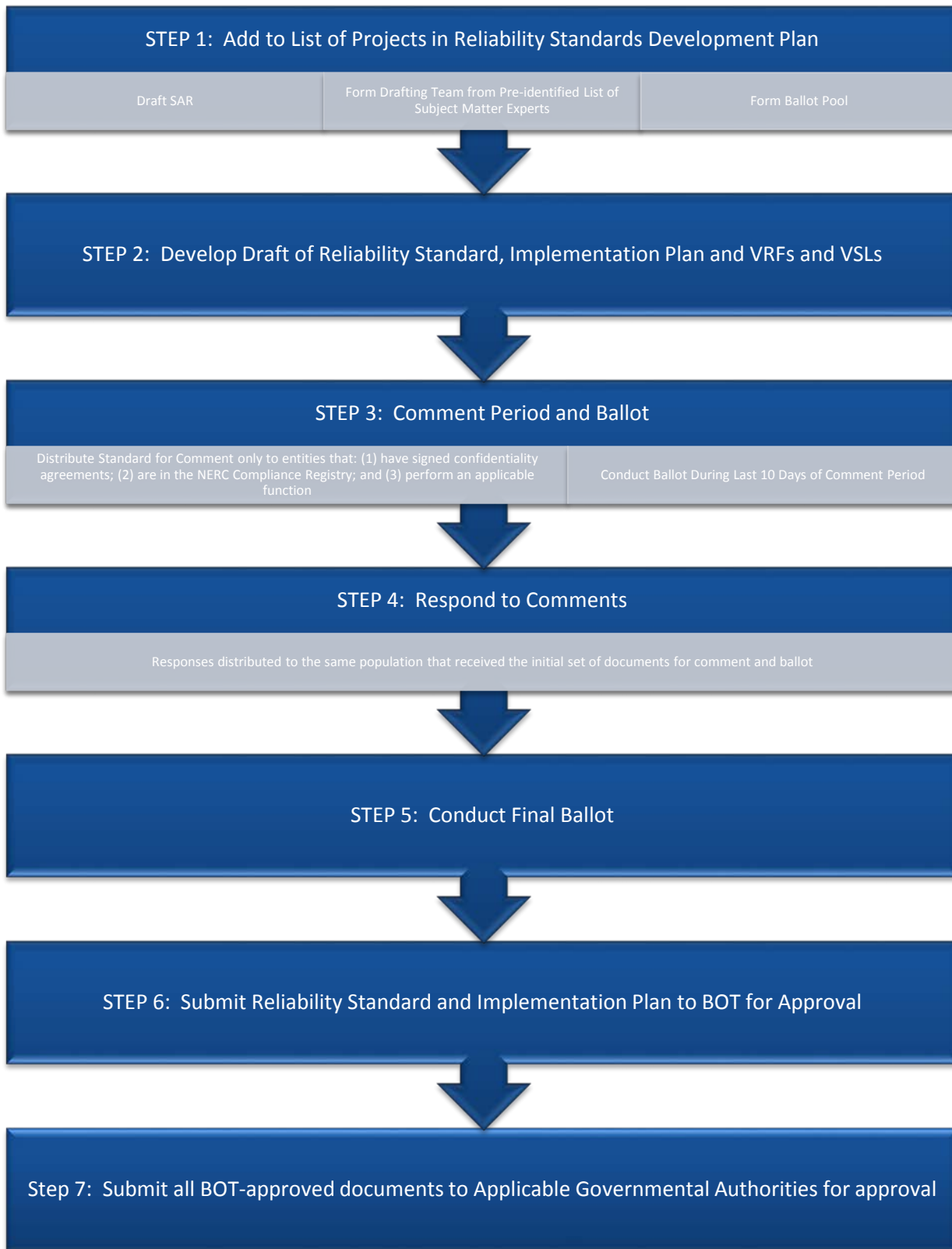


FIGURE 3: Process for Developing a Standard Responsive to an Imminent, Confidential Issue



## **10.8: Process for Developing Reliability Standards Responsive to Non-imminent, Confidential Issues**

If the NERC Board of Trustees directs the immediate development of a new or revised Reliability Standard to address a confidential national security emergency situation, the NERC Reliability Standards Staff shall develop a SAR, form a ballot pool (to vote on the Reliability Standard and its implementation plan) and assemble a slate of pre-defined subject matter experts as a proposed drafting team for approval by the Standards Committee's officers. All members of the Registered Ballot Body shall have the opportunity to join the ballot pool.

## **10.9: Drafting Team Selection**

The drafting team selection process shall be limited to just those candidates who have already been identified as having the appropriate security clearance, the requisite technical expertise, and either have signed or are willing to sign a strict confidentiality agreement.

## **10.10: Work of Drafting Team**

The drafting team shall perform all its work under strict security and confidentiality rules. The Reliability Standard drafting team shall develop the new or revised Reliability Standard and its implementation plan.

The drafting team shall review its work, to the extent practical, as it is being developed with officials from the Applicable Governmental Authorities, under strict security and confidentiality rules.

## **10.11: Formal Stakeholder Comment & Ballot Window**

The draft Reliability Standard and its implementation plan shall be distributed for a formal comment period, under strict confidentiality rules, only to those entities that are listed in the NERC Compliance Registry to perform one of the functions identified in the applicability section of the Reliability Standard and have identified individuals from their organizations that have signed confidentiality agreements with NERC.<sup>33</sup> At the same time, the Reliability Standard shall be distributed to the members of the ballot pool for review and ballot. The NERC Reliability Standards Staff shall not post or provide the ballot pool with any confidential background information.

## **10.12: Revisions to Reliability Standard, Implementation Plan and VRFs and VSLs**

The drafting team, working with the NERC Reliability Standards Staff, shall work to refine the Reliability Standard, implementation plan and VRFs and VSLs in the same manner as for a new Reliability Standard following the "normal" Reliability Standards development process described earlier in this manual with the exception that distribution of the comments, responses, and new drafts shall be limited to those entities that are in the ballot pool and those entities that are listed in the NERC Compliance Registry to perform one of the functions identified in the applicability section of the Reliability Standard and have identified individuals from their organizations that have signed confidentiality agreements with NERC.

## **10.13: Board of Trustee Action**

Each Reliability Standard, implementation plan, and the associated VRFs and VSLs developed through this process shall be submitted to the NERC Board of Trustees for adoption.

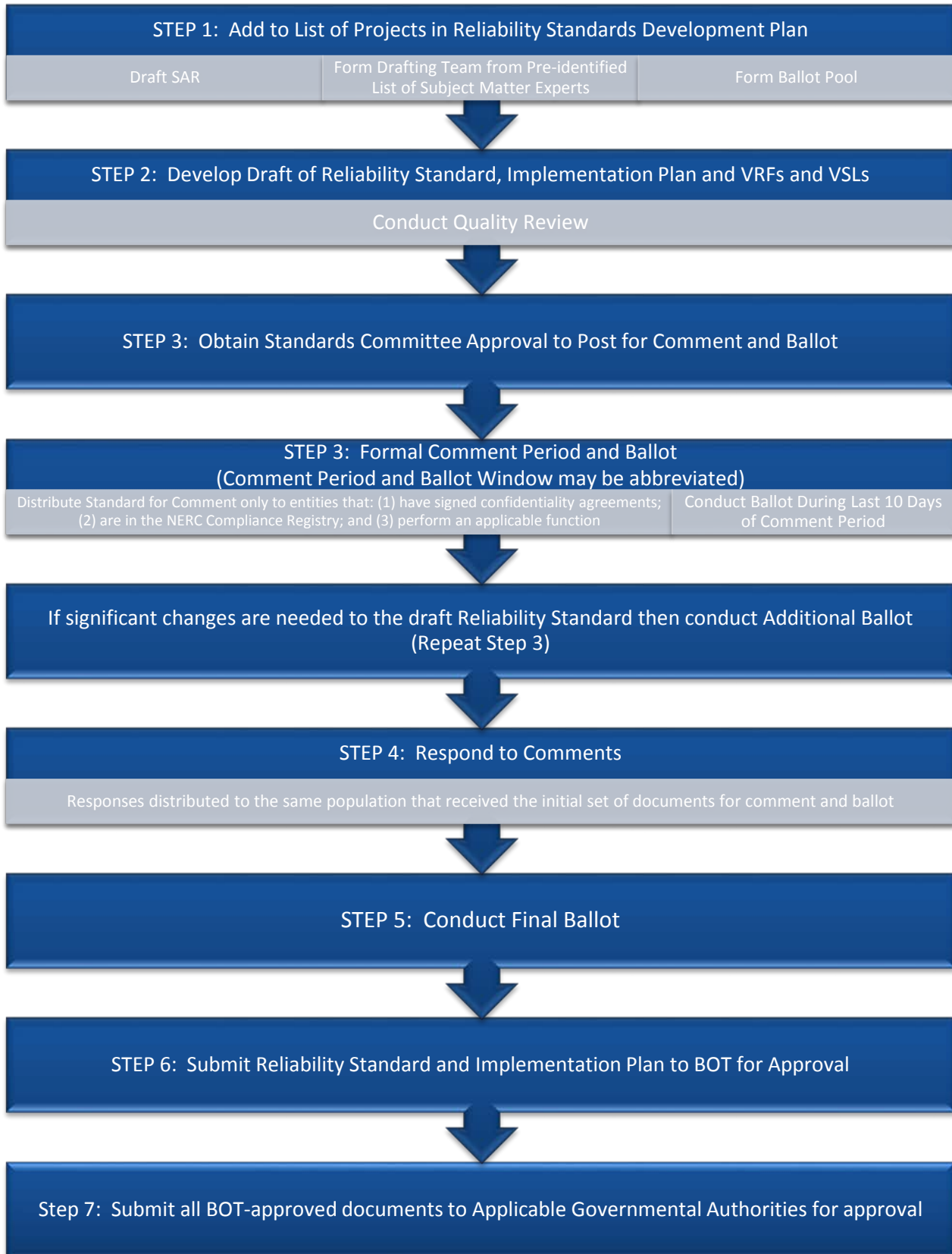
## **10.14: Governmental Approvals**

All BOT-approved documents shall be filed for approval with Applicable Governmental Authorities.

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<sup>33</sup> In this phase of the process, only the proposed Reliability Standard shall be distributed to those entities expected to comply, not the rationale and justification for the Reliability Standard. Only the special drafting team members, who have the appropriate security credentials, shall have access to this rationale and justification.

**Developing a Reliability Standard Responsive to a Non-imminent, Confidential Issue**



**FIGURE 4: Developing a Standard Responsive to a Non-Imminent, Confidential Issue**

## Section 11.0: Process for Posting Supporting Technical Documents Alongside an Approved Reliability Standard

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The NERC Standards Committee oversees the development and approval of technical documents identified as supporting documents to Reliability Standards approved by the Applicable Governmental Authority. Supporting technical documents may explain or facilitate understanding of Reliability Standards but do not themselves contain mandatory Requirements subject to compliance review. Any mandatory Requirements shall be incorporated into the Reliability Standard in the Reliability Standard development process. Documents that contain specific compliance approaches or examples are not considered supporting technical documents under this Section.

This Section provides the process by which any individual or entity may propose a supporting technical document to an approved Reliability Standard. The process outlined in this section is designed so each supporting document receives stakeholder review to verify the accuracy of the technical content prior to being posted as a supporting technical document to an approved Reliability Standard.

During the standard development process, standard drafting teams may develop and post supporting technical documents to the pertinent project page, in accordance with Section 4.0. Following approval of the Reliability Standard, those documents may be posted alongside the standard without requiring separate Standards Committee authorization under this Section.

### 11.1: Types of Supporting Technical Documents

The types of supporting technical documents that may be approved for posting alongside an approved Reliability Standard under this Section are listed below.

Type of Document	Description
Reference	Descriptive, technical information or analysis or explanatory information to support the understanding of an approved Reliability Standard.
Lessons Learned	Documents designed to convey lessons learned related to an approved Reliability Standard. A Lessons Learned document cannot establish new Requirements or modify Requirements in any existing Reliability Standard.
White Paper	An informal paper stating a position or concept. A white paper may have been used to propose preliminary concepts for a Reliability Standard or a Reference document.

### 11.2: Process for Proposing and Evaluating Supporting Technical Documents

Proposals for supporting technical documents to approved Reliability Standards shall be submitted to the NERC Reliability Standards Staff.

NERC Staff shall conduct a review of the proposed supporting technical document. In performing this review, NERC Staff may consult any technical resources it deems appropriate. The purpose of this review is to determine whether the proposed supporting technical document meets the following criteria:

1. the document is a type of supporting technical document subject to this Section, as described in Section 11.1;
2. the document is consistent with the purpose and intent of the associated Reliability Standard; and

3. the document has received adequate stakeholder review to assess its technical adequacy, such as through a NERC technical committee review process, public comment period(s) held during the development of the associated Reliability Standard, or other stakeholder review process.

If NERC Staff determines that the proposed supporting technical document meets all three criteria specified above, NERC Staff shall submit the proposed supporting technical document to the Standards Committee as specified in Section 11.3 below.

If NERC Staff determines that the proposed supporting technical document does not meet the first or second criterion specified above, NERC Staff shall notify the submitter, in writing, that the document will not be forwarded to the Standards Committee for consideration to be posted as a supporting technical document under this Section. This notification shall include an explanation of the basis for the decision. NERC Staff shall also notify the Standards Committee of its determination at the next regularly-scheduled Standards Committee meeting.

If NERC Staff determines that the proposed supporting technical document meets the first and second criteria, but has not yet received adequate stakeholder review under the third criterion, NERC Staff shall make a recommendation to the Standards Committee to authorize posting the proposed supporting technical document for stakeholder review to verify the accuracy of the technical content. This initial comment period shall be for 45 days, unless the Standards Committee directs otherwise. Upon conclusion of the comment period, NERC Staff shall compile the comments and provide them to the submitter for consideration. If the submitter modifies the proposed supporting technical document based on stakeholder comments, NERC Staff may post the document for additional comment periods to provide for sufficient technical review.

### **11.3: Approving a Supporting Technical Document**

After determining that the proposed supporting technical document meets the three criteria specified in Section 11.2, NERC Staff shall present the supporting technical document to the NERC Standards Committee with a recommendation regarding whether the Standards Committee should approve posting the supporting technical document with the approved Reliability Standard on the pertinent NERC website page(s).

## Section 12.0: Process for Correcting Errata

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From time to time, an error may be discovered in a Reliability Standard. Such errors may be corrected (i) following a Final Ballot prior to Board of Trustees adoption, (ii) following Board of Trustees adoption prior to filing with Applicable Governmental Authorities; and (iii) following filing with Applicable Governmental Authorities. If the Standards Committee agrees that the correction of the error does not change the scope or intent of the associated Reliability Standard, and agrees that the correction has no material impact on the end users of the Reliability Standard, then the correction shall be filed for approval with Applicable Governmental Authorities as appropriate. The NERC Board of Trustees has resolved to concurrently approve any errata approved by the Standards Committee.

## Section 13.0: Process for Conducting Periodic Reviews of Reliability Standards

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All Reliability Standards shall be reviewed at least once every ten years from the effective date of the Reliability Standard or the date of the latest Board of Trustees adoption to a revision of the Reliability Standard, whichever is later. If a Reliability Standard is approved by ANSI as an American National Standard, it shall be reviewed at least once every five years from the effective date of the Reliability Standard or the date of the latest Board of Trustees adoption to a revision of the Reliability Standard, whichever is later.

The *Reliability Standards Development Plan* shall include projects that address this five or ten-year review of Reliability Standards.

- If a Reliability Standard is nearing its five or ten-year review and has issues that need resolution, then the *Reliability Standards Development Plan* shall include a project for the complete review and associated revision of that Reliability Standard that includes addressing all outstanding governmental directives, all approved Interpretations, and all unresolved issues identified by stakeholders.
- If a Reliability Standard is nearing its five or ten-year review and there are no outstanding governmental directives, Interpretations, or unresolved stakeholder issues associated with that Reliability Standard, then the *Reliability Standards Development Plan* shall include a project solely for the periodic review of that Reliability Standard.

For a project that is focused solely on the periodic review, the Standards Committee shall appoint a review team of subject matter experts to review the Reliability Standard and recommend whether the Reliability Standard should be reaffirmed, revised, or withdrawn. Each review team shall post its recommendations for a 45-day formal stakeholder comment period and shall provide those stakeholder comments to the Standards Committee for consideration.

- If a review team recommends reaffirming a Reliability Standard, the Standards Committee shall submit the reaffirmation to the Board of Trustees for adoption and then to Applicable Governmental Authorities for approval. Reaffirmation does not require approval by stakeholder ballot.
- If a review team recommends modifying, or retiring a Reliability Standard, the team shall develop a SAR with such a proposal and the SAR shall be submitted to the Standards Committee for prioritization as a new project. Each existing Reliability Standard recommended for modification, or retirement shall remain in effect in accordance with the associated implementation plan until the action to modify or withdraw the Reliability Standard is approved by its ballot pool, adopted by the Board of Trustees, and approved by Applicable Governmental Authorities.

In the case of reaffirmation of a Reliability Standard, the Reliability Standard shall remain in effect until the next five or ten-year review or until the Reliability Standard is otherwise modified or withdrawn by a separate action.

## **Section 14.0: Public Access to Reliability Standards Information**

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### **14.1: Online Reliability Standards Information System**

The NERC Reliability Standards Staff shall maintain an electronic copy of information regarding currently proposed and currently in effect Reliability Standards. This information shall include current Reliability Standards in effect, proposed revisions to Reliability Standards, and proposed new Reliability 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.

### **14.2: Archived Reliability Standards Information**

The NERC Staff shall maintain a historical record of Reliability Standards information that is no longer maintained online. 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 Reliability Standard was no longer in effect. Archived records of Reliability Standards information shall be available electronically within 30 days following the receipt by the NERC Reliability Standards Staff of a written request.

## Section 15.0: Process for Updating Standard Processes

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### 15.1: Requests to Revise the Standard Processes Manual

Any person or entity may submit a request to modify one or more of the processes contained within this manual. The Standards Committee shall oversee the handling of each request. The Standards Committee shall prioritize all requests, merge related requests, and respond to each sponsor within 30 days.

The Standards Committee shall post the proposed revisions for a 45-day formal comment period. Based on the degree of consensus for the revisions, the Standards Committee shall:

- Submit the revised process or processes for ballot pool approval;
- Repeat the posting for additional inputs after making changes based on comments received;
- Remand the proposal to the sponsor for further work; or
- 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 Reliability Standard, including the use of an Additional 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 submit to the Board a description of the basis for the changes, a summary of the comments received, and any minority views expressed in the comment and ballot process. The proposed revisions shall not be effective until approved by the NERC Board of Trustees and Applicable Governmental Authorities.



## Section 16.0: Waiver

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While it is NERC's intent to use its ANSI-accredited Reliability Standards development process for developing its Reliability Standards, NERC may need to develop a new or modified Reliability Standard, definition, Variance, Interpretation, or implementation plan under specific time constraints (such as to meet a time constrained regulatory directive) or to meet an urgent reliability issue such that there isn't sufficient time to follow all the steps in the normal Reliability Standards development process.

The Standards Committee may waive any of the provisions contained in this manual for good cause shown, but limited to the following circumstances:

- In response to a national emergency declared by the United States or Canadian government that involves the reliability of the Bulk Electric System or cyber attack on the Bulk Electric System;
- Where necessary to meet regulatory deadlines;
- Where necessary to meet deadlines imposed by the NERC Board of Trustees; or
- Where the Standards Committee determines that a modification to a proposed Reliability Standard or its Requirement(s), a modification to a defined term, a modification to an Interpretation, or a modification to a Variance has already been vetted by the industry through the standards development process or is so insubstantial that developing the modification through the processes contained in this manual will add significant time delay.

In no circumstances shall this provision be used to modify the requirements for achieving quorum or the voting requirements for approval of a standard.

A waiver request may be submitted to the Standards Committee by any entity or individual, including NERC committees or subgroups and NERC Staff. Prior to consideration of any waiver request, the Standards Committee must provide five business days' notice to stakeholders.

Action on the waiver request will be included in the minutes of the Standards Committee. Actions taken pursuant to an approved waiver request will be posted on the Standard Project page and included in the next project announcement.

In addition, the Standards Committee shall report the exercise of this waiver provision to the Board of Trustees prior to adoption of the related Reliability Standard, Interpretation, definition or Variance.

Reliability Standards developed as a result of a waiver of any provision of the Standard Processes Manual shall not be filed with ANSI for approval as American National Standards.

**NERC**

NORTH AMERICAN ELECTRIC  
RELIABILITY CORPORATION

# Standard Processes Manual

VERSION ~~33~~34

Effective ~~June 26, 2013~~TBD

**RELIABILITY | ACCOUNTABILITY**



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## Section 1.0: Introduction

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### 1.1: Authority

This manual is published by the authority of the North American Electric Reliability Corporation (“NERC”) Board of Trustees ~~and has been incorporated into the NERC Rules of Procedure as Appendix 3A. It. The Board of Trustees, as necessary to maintain NERC’s certification as the Electric Reliability Organization (“ERO”), may file the manual with Applicable Governmental Authorities for approval as an ERO document. When approved, the manual is appended to~~ and provides implementation detail in support of the ~~ERO-NERC~~ Rules of Procedure Section 300 — Reliability Standards Development.

Capitalized terms not otherwise defined herein, shall have the meaning set forth in the Definitions Used in the Rules of Procedure, Appendix 2 to the Rules of Procedure. Unless otherwise specified, any period of time that is counted in days shall refer to calendar days.

### 1.2: Scope

The policies and procedures in this manual shall govern the activities of ~~the North American Electric Reliability Corporation (“NERC”)~~ related to the development, approval, revision, reaffirmation, and withdrawal of Reliability Standards, Interpretations, Violation Risk Factors (“VRFs”), Violation Severity Levels (“VSLs”), definitions, Variances, and reference documents developed to support standards for the Reliable Operation and planning of the North American Bulk Power Systems.

This manual also addresses the role of the Standards Committee, drafting teams, and the ballot body in the development and approval of Compliance Elements in conjunction with standard development.

### 1.3: Background

NERC is a nonprofit corporation formed for the purpose of becoming the North American ERO. NERC works with all stakeholder segments of the electric industry, including electricity users, to develop Reliability Standards for the reliability planning and Reliable Operation of the North American Bulk Power Systems. 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 Reliability Standards mandatory for all Bulk Power System owners, operators, and users. Similar authorities are provided by Applicable Governmental Authorities in Canada. The United States Federal Energy Regulatory Commission (“FERC”) certified NERC ~~was certified~~ as the ERO effective July 2006. *North American Electric Reliability Corp.*, 116 FERC ¶ 61,062, *order on reh’g and compliance*, 117 FERC ¶ 61,126 (2006), *order on compliance*, 118 FERC ¶ 61,030 (2007).

### 1.4: Essential Attributes of NERC’s Reliability Standards Processes

NERC’s Reliability Standards development processes provide reasonable notice and opportunity for public comment, due process, openness, and balance of interests in developing a proposed Reliability Standard consistent with the attributes necessary for American National Standards Institute (“ANSI”) accreditation. The same attributes, as well as transparency, consensus-building, and timeliness, are also required under the ERO Rules of Procedure Section 304.

- **Open Participation**

Participation in NERC’s Reliability Standards development balloting and approval processes shall be open to all entities materially affected by NERC’s Reliability Standards. There shall be no financial barriers to participation in NERC’s Reliability Standards balloting and approval processes. Membership in the Registered Ballot Body shall not be conditional upon membership in any organization, nor unreasonably restricted on the basis of technical qualifications or other such requirements.

- **Balance**

NERC's Reliability Standards development processes shall not be dominated by any two interest categories, individuals, or organizations and no single interest category, individual, or organization is able to defeat a matter.

NERC shall use a voting formula that allocates each industry Segment an equal weight in determining the final outcome of any Reliability Standard action. The Reliability Standards development processes shall have a balance of interests. Participants from diverse interest categories shall be encouraged to join the Registered Ballot Body and participate in the balloting process, with a goal of achieving balance between the interest categories. The Registered Ballot Body serves as the consensus body voting to approve each new or proposed Reliability Standard, definition, Variance, and Interpretation.

- **Coordination and harmonization with other American National Standards activities**

NERC is committed to resolving any potential conflicts between its Reliability Standards development efforts and existing American National Standards and candidate American National Standards.

- **Notification of standards development**

NERC shall publicly distribute a notice to each member of the Registered Ballot Body, and to each stakeholder who indicates a desire to receive such notices, for each action to create, revise, reaffirm, or withdraw a Reliability Standard, definition, or Variance; and for each proposed Interpretation. Notices shall be distributed electronically, with links to the relevant information, and notices shall be posted on NERC's Reliability Standards web page. All notices shall identify a readily available source for further information.

- **Transparency**

The process shall be transparent to the public.

- **Consideration of views and objections**

Drafting teams shall give prompt consideration to the written views and objections of all participants as set forth herein. Drafting teams shall make an effort to resolve each objection that is related to the topic under review.

- **Consensus Building**

The process shall build and document consensus for each Reliability Standard, both with regard to the need and justification for the Reliability Standard and the content of the Reliability Standard.

- **Consensus vote**

NERC shall use its voting process to determine if there is sufficient consensus to approve a proposed Reliability Standard, definition, Variance, or Interpretation. NERC shall form a ballot pool for each Reliability Standard action from interested members of its Registered Ballot Body. Approval of any Reliability Standard action requires:

- A quorum, which is established by at least 75% of the members of the ballot pool submitting a response excluding unreturned ballots; and
- A two-thirds majority of the weighted Segment votes cast shall be affirmative. The number of votes cast during all stages of balloting except the final ballot is the sum of affirmative and negative votes with comments, excluding abstentions, non-responses, and negative votes without comments. During the final ballot, the number of votes cast is the sum of affirmative and negative votes, excluding abstentions and non-responses.

- **Timeliness**

Development of Reliability Standards shall be timely and responsive to new and changing priorities for reliability of the Bulk Power System.

- **Metric Policy**

The International System of units is the preferred units of measurement in NERC Reliability Standards. However, because NERC's Reliability Standards apply in Canada, the United States and portions of Mexico, where applicable, measures are provided in both the metric and English units.

## 1.5: Ethical Participation

All participants in the NERC Standard development process, including drafting teams, quality reviewers, Standards Committee members and members of the Registered Ballot Body, are obligated to act in an ethical manner in the exercise of all activities conducted pursuant to the terms and conditions of the Standard Processes Manual and the standard development process.

## Section 2.0: Elements of a Reliability Standard

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### 2.1: Definition of a Reliability Standard

A Reliability Standard includes a set of Requirements that define specific obligations of owners, operators, and users of the North American Bulk Power Systems. The Requirements shall be material to reliability and measurable. A Reliability Standard is defined as follows:

“Reliability Standard” means a requirement, approved by the United States Federal Energy Regulatory Commission under Section 215 of the Federal Power Act, or approved or recognized by an applicable governmental authority in other jurisdictions, to provide for Reliable Operation of the Bulk Power System, ~~including~~ without limiting the foregoing, The term includes requirements for the operation of existing Bulk Power System ~~Facilities~~facilities, including cyber-security protection, and ~~including~~ the design of planned additions or modifications to such ~~Facilities~~facilities to the extent necessary for Reliable Operation of the Bulk Power System, but the term does not include any requirement to enlarge ~~Bulk Power Systems~~such Facilities-facilities or to construct new transmission capacity or generation capacity. (In certain contexts, this term may also refer to a “Reliability Standard” that is in the process of being developed, or not yet approved or recognized by FERC or an applicable governmental authority in other jurisdictions).<sup>1</sup> ~~A Reliability Standard shall not be effective in the United States until approved by the Federal Energy Regulatory Commission and shall not be effective in other jurisdictions until made or allowed to become effective by the Applicable Governmental Authority. See Appendix 2 to the NERC Rules of Procedure, Definitions Used in the Rules of Procedure.~~

### 2.2: Reliability Principles

NERC Reliability Standards are based on certain reliability principles that define the foundation of reliability for North American Bulk Power Systems.<sup>2</sup> Each Reliability Standard shall enable or support one or more of the reliability principles, thereby ensuring that each Reliability 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 Reliability Standard undermines reliability through an unintended consequence.

### 2.3: Market 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.<sup>3</sup> 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.

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<sup>1</sup> See Appendix 2 to the NERC Rules of Procedure, Definitions Used in the Rules of Procedure.

<sup>2</sup> The intent of the set of NERC Reliability Standards is to deliver an adequate level of reliability. The latest set of reliability principles and the latest set of characteristics associated with an adequate level of reliability are posted on the Reliability Standards Resources web page.

<sup>3</sup> The latest set of market interface principles is posted on the Reliability Standards Resources web page.

## 2.4: Types of Reliability Requirements

Generally, each Requirement of a Reliability Standard shall identify what Functional Entities shall do, and under what conditions, to achieve a specific reliability objective. Although Reliability Standards all follow this format, several types of Requirements may exist, each with a different approach to measurement.

- **Performance-based Requirements** define a specific reliability objective or outcome achieved by one or more entities that has a direct, observable effect on the reliability of the Bulk Power System, i.e. an effect that can be measured using power system data or trends. In its simplest form, a performance-based requirement has four components: who, under what conditions (if any), shall perform what action, to achieve what particular result or outcome.
- **Risk-based Requirements** define actions by one or more entities that reduce a stated risk to the reliability of the Bulk Power System and can be measured by evaluating a particular product or outcome resulting from the required actions. A risk-based reliability requirement should be framed as: who, under what conditions (if any), shall perform what action, to achieve what particular result or outcome that reduces a stated risk to the reliability of the Bulk Power System.
- **Capability-based Requirements** define capabilities needed by one or more entities to perform reliability functions and can be measured by demonstrating that the capability exists as required. A capability-based reliability requirement should be framed as: *who, under what conditions (if any), shall have what capability, to achieve what particular result or outcome to perform an action to achieve a result or outcome or to reduce a risk to the reliability of the Bulk Power System.*

The body of reliability Requirements collectively provides a defense-in-depth strategy supporting reliability of the Bulk Power System.

## 2.5: Elements of a Reliability Standard

A Reliability Standard includes several components designed to work collectively to identify what entities must do to meet their reliability-related obligations as an owner, operator or user of the Bulk Power System.

The components of a Reliability Standard may include the following:

**Title:** A brief, descriptive phrase identifying the topic of the Reliability Standard.

**Number:** A unique identification number assigned in accordance with a published classification system to facilitate tracking and reference to the Reliability Standards.<sup>4</sup>

**Purpose:** The reliability outcome achieved through compliance with the Requirements of the Reliability Standard.

**Applicability:** Identifies ~~which entities are assigned reliability requirements.~~ The specific Functional Entities and Facilities to which the Reliability Standard applies.

**Effective Dates:** Identification of the date or pre-conditions determining when each Requirement becomes effective in each jurisdiction.

**Requirement:** An explicit statement that identifies the Functional Entity responsible, the action or outcome that must be achieved, any conditions achieving the action or outcome, and the reliability-related benefit of the action or outcome. Each Requirement shall be a statement for which compliance is mandatory.

<sup>4</sup> Reliability Standards shall be numbered in accordance with the NERC Standards Numbering Convention as provided on the Reliability Standards Resources web page.



**Compliance Elements:** Elements to aid in the administration of ERO compliance monitoring and enforcement responsibilities.<sup>5</sup>

- **Measure:** Provides identification of the evidence or types of evidence that may demonstrate compliance with the associated requirement.
- **Violation Risk Factors and Violation Severity Levels:** Violation risk factors (VRFs) and violation severity levels (VSLs) are used as factors when determining the size of a penalty or sanction associated with the violation of a requirement in an approved ~~reliability Reliability standard Standard~~.<sup>6</sup> Each requirement in each ~~reliability Reliability standard Standard~~ has an associated VRF and a set of VSLs. VRFs and VSLs are developed by the drafting team, working with NERC Staff, at the same time as the associated ~~reliability Reliability standard Standard~~, but are not part of the ~~reliability Reliability standard Standard~~. The Board of Trustees is responsible for approving VRFs and VSLs.
  - **Violation Risk Factors**

VRFs identify the potential reliability significance of noncompliance with each requirement. Each requirement is assigned a VRF in accordance with the latest approved set of VRF criteria.<sup>7</sup>
  - **Violation Severity Levels**

VSLs define the degree to which compliance with a requirement was not achieved. Each requirement shall have at least one VSL. While it is preferable to have four VSLs for each requirement, some requirements do not have multiple “degrees” of noncompliant performance and may have only one, two, or three VSLs. Each requirement is assigned one or more VSLs in accordance with the latest approved set of VSL criteria.<sup>8</sup>

**Version History:** The version history is provided for informational purposes and lists information regarding prior versions of Reliability Standards.

**Variance:** A Requirement (to be applied in the place of the continent-wide Requirement) that is applicable to a specific geographic area or to a specific set of Registered Entities.

**Compliance Enforcement Authority:** The entity that is responsible for assessing performance or outcomes to determine if an entity is compliant with the associated Reliability Standard. The Compliance Enforcement Authority will be NERC or the Regional Entity in their respective roles of monitoring and enforcing compliance with the NERC Reliability Standards.

~~**Application guidelines:** Guidelines to support the implementation of the associated Reliability Standard.~~

~~**Procedures:** Procedures to support implementation of the associated Reliability Standard.~~

The only mandatory and enforceable components of a Reliability Standard are the: (1) applicability, (2) Requirements, and the (3) effective dates. The additional components are included in the Reliability Standard for

<sup>5</sup> It is the responsibility of the ERO ~~staff-Staff~~ to develop compliance tools for each standard; these tools are not part of the standard but are referenced in this manual because the preferred approach to developing these tools is to use a transparent process that leverages the technical and practical expertise of the drafting team and ballot pool.-

<sup>6</sup> The *Sanction Guidelines of the North American Electric Reliability Corporation* identifies the factors used to determine a penalty or sanction for violation of ~~a reliability Reliability Sstandard~~ and is posted on the NERC ~~Web-web Sitesite~~.

<sup>7</sup> The latest set of approved VRF Criteria is posted on the Reliability Standards Resources ~~Web-web Pagepage~~.

<sup>8</sup> The latest set of approved VSL Criteria is posted on the Reliability Standards Resources ~~Web-web Pagepage~~.

informational purposes, ~~to establish the relevant scope and technical paradigm,~~ and to provide guidance to Functional Entities concerning how compliance will be assessed by the Compliance Enforcement Authority.

## Section 3.0: Reliability Standards Program Organization

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### 3.1: Board of Trustees

The NERC Board of Trustees shall consider for adoption Reliability Standards, definitions, Variances and Interpretations and associated implementation plans that have been ~~processed~~developed according to ~~the processes identified in~~ this manual. Once the Board adopts a Reliability Standard, definition, Variance or Interpretation, the Board shall direct NERC Staff to file the document(s) for approval with Applicable Governmental Authorities.

### 3.2: Registered Ballot Body

The Registered Ballot Body comprises all entities or individuals that qualify for one of the Segments approved by the Board of Trustees<sup>9</sup>, and are registered with NERC as potential ballot participants in the voting on Reliability Standards. Each member of the Registered Ballot Body is eligible to join the ballot pool for each Reliability Standard action.

### 3.3: Ballot Pool

Each Reliability 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 request to participate in that particular Reliability Standard action. The ballot pool votes on each Reliability Standards action. The ballot pool remains in place until all balloting related to that Reliability Standard action has been completed.

### 3.4: Standards Committee

The Standards Committee serves at the pleasure and direction of the NERC Board of Trustees, and the Board approves the Standards Committee's Charter.<sup>10</sup> ~~The composition of the Standards Committee and the election of its members is set forth in Appendix 3B to the NERC Rules of Procedure, Procedures for Election of Members of the Standards Committee are elected by their respective Segment's stakeholders. The Standards Committee consists of two members of each of the Segments in the Registered Ballot Body.<sup>11</sup> A member of the NERC Reliability Standards Staff shall serve as the non-voting secretary to the Standards Committee.~~

The Standards Committee is responsible for managing the Reliability Standards processes for development of Reliability Standards, definitions, Variances and Interpretations in accordance with this manual. The responsibilities of the Standards Committee are defined in detail in the Standards Committee's Charter. The Standards Committee is responsible for ensuring that the Reliability Standards, definitions, Variances and Interpretations developed by drafting teams are developed in accordance with the processes in this manual and meet NERC's benchmarks for Reliability Standards as well as criteria for governmental approval.<sup>12</sup>

The Standards Committee has the right to remand work to a drafting team, to reject the work of a drafting team, or to accept the work of a drafting team. The Standards Committee may disband a drafting team if it determines (a) that the drafting team is not producing a standard in a timely manner; (b) the drafting team is not able to produce a standard that will achieve industry consensus; (c) the drafting team has not addressed the scope of the SAR; or (d) the drafting team has failed to fully address a regulatory directive or otherwise provided a responsive or equally

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<sup>9</sup> The industry Segment qualifications are described in the Development of the Registered Ballot Body and Segment Qualification Guidelines document posted on the Reliability Standards Resources web page and are included in Appendix 3D of the NERC Rules of Procedure.

<sup>10</sup> The Standards Committee Charter is posted on the Reliability Standards Resources web page.

~~<sup>11</sup> In addition to balanced 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.~~

<sup>12</sup> The *Ten Benchmarks of an Excellent Reliability Standard* and FERC's Criteria for Approving Reliability Standards are posted on the Reliability Standards Resources web page.

efficient and effective alternative. The Standards Committee may direct a drafting team to revise its work to follow the processes in this manual or to meet the criteria for NERC’s benchmarks for Reliability Standards, or to meet the criteria for governmental approval; however, the Standards Committee shall not direct a drafting team to change the technical content of a draft Reliability Standard.

The Standards Committee shall meet at regularly scheduled intervals (either in person, or by other means). All Standards Committee meetings are open to all interested parties.

### 3.5: NERC Reliability Standards Staff

The NERC Reliability Standards Staff, led by the Director of Standards,<sup>13</sup> is responsible for administering NERC’s Reliability Standards processes in accordance with this manual. The NERC Reliability Standards Staff provides support to the Standards Committee in managing the Reliability Standards processes and in supporting the work of all drafting teams. The NERC Reliability Standards Staff works to ensure the integrity of the Reliability Standards processes and consistency of quality and completeness of the Reliability Standards. The NERC Reliability Standards Staff facilitates all steps in the development of Reliability Standards, definitions, Variances, Interpretations and associated implementation plans.

The NERC Reliability Standards Staff is responsible for presenting Reliability Standards, definitions, Variances, and Interpretations to the NERC Board of Trustees for adoption. When presenting Reliability Standards-related documents to the NERC Board of Trustees for adoption or approval, the NERC Reliability Standards Staff shall report the results of the associated stakeholder ballot, including identification of unresolved stakeholder objections and an assessment of the document’s practicality and enforceability.

### 3.6: Drafting Teams

The Standards Committee shall appoint industry experts to drafting teams to work with stakeholders in developing and refining Standard Authorization Requests (“SARs”), Reliability Standards, definitions, ~~and~~ Variances, and Interpretations. ~~The NERC Reliability Standards Staff shall appoint drafting teams that develop Interpretations.~~ The NERC Reliability Standards Staff shall provide, or solicit from the industry, essential support for each of the drafting teams in the form of technical writers, legal, compliance, and rigorous and highly trained project management and facilitation support personnel.

Each drafting team may consist of a group of technical, legal, and compliance experts that work cooperatively with the support of the NERC Reliability Standards Staff.<sup>14</sup> The technical experts provide the subject matter expertise and guide the development of the technical aspects of the Reliability Standard, assisted by technical writers, legal and compliance experts. The technical experts maintain authority over the technical details of the Reliability Standard. Each drafting team appointed to develop a Reliability Standard is responsible for following the processes identified in this manual as well as procedures developed by the Standards Committee from the inception of the assigned project through the final acceptance of that project by Applicable Governmental Authorities.

Collectively, each drafting team:

- Drafts proposed language for the Reliability Standards, definitions, Variances, and/or Interpretations and associated implementation plans.
- Develops and refines technical documents that aid in the understanding of Reliability Standards.

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<sup>13</sup> The Director of Standards may delegate its authority to perform certain responsibilities specified in this manual to another member of the NERC Reliability Standards staff.

<sup>14</sup> The detailed responsibilities of drafting teams are outlined in the Drafting Team Guidelines, which is posted on the Reliability Standards Resources web page.

- Works collaboratively with NERC Compliance Monitoring and Enforcement Staff to develop Reliability Standard Audit Worksheets (“RSAWs”) at the same time Reliability Standards are developed.
- Provides assistance to NERC Staff in the development of Compliance Elements of proposed Reliability Standards.
- Solicits, considers, and responds to comments related to the specific Reliability Standards development project.
- Participates in industry forums to help build consensus on the draft Reliability Standards, definitions, Variances, and/or Interpretations and associated implementation plans.
- Assists in developing the documentation used to obtain governmental approval of the Reliability Standards, definitions, Variances, and/or Interpretations and associated implementation plans.

All drafting teams report to the Standards Committee.

### 3.7: Governmental Authorities

~~The Federal Energy Regulatory Commission (“FERC”) in the United States of America, and where permissible by statute or regulation, the federal or provincial governments of other North American jurisdictions that have recognized NERC as the ERO each of the eight Canadian Provinces (Manitoba, Nova Scotia, Saskatchewan, Alberta, Ontario, British Columbia, New Brunswick and Quebec) and the National Energy Board of Canada~~ have the authority to approve each new, revised or withdrawn Reliability Standard, definition, Variance, VRF, VSL and Interpretation following adoption or approval by the NERC Board of Trustees.

### 3.8: Committees, Subcommittees, Working Groups, and Task Forces

NERC’s technical committees, subcommittees, working groups, and task forces provide technical research and analysis used to justify the development of new Reliability Standards and provide guidance, when requested by the Standards Committee, in overseeing field tests or collection and analysis of data. The technical committees, subcommittees, working groups, and task forces provide feedback to drafting teams during both informal and formal comment periods.

The Standards Committee may request that a NERC technical committee or other group prepare a ~~Technical~~technical document to support development of a proposed Reliability Standard.

The technical committees, subcommittees, working groups, and task forces share their observations regarding the need for new or modified Reliability Standards or Requirements with the NERC Reliability Standards Staff for use in identifying the need for new Reliability Standards projects for the three-year *Reliability Standards Development Plan*.

### 3.9: Compliance and Certification Committee

The Compliance and Certification Committee is responsible for monitoring NERC’s compliance with its Reliability Standards processes and procedures and for monitoring NERC’s compliance with the Rules of Procedure regarding the development of new or revised Reliability Standards, definitions, Variances, and Interpretations. The Compliance and Certification Committee may assist in verifying that each proposed Reliability Standard is enforceable as written before the Reliability Standard is posted for formal stakeholder comment and balloting.

### 3.10: Compliance Monitoring and Enforcement Program

As applicable, the NERC Compliance Monitoring and Enforcement Program Staff manages and enforces compliance with approved Reliability Standards. Compliance Monitoring and Enforcement Staff are responsible for the development of select compliance tools. The drafting team and the Compliance Monitoring and Enforcement Program Staff shall work together during the Reliability Standard development process to ensure an accurate and consistent understanding of the Requirements and their intent, and to ensure that applicable compliance tools

accurately reflect that intent. The goal of this collaboration is to ensure that application of the Reliability Standards in the Compliance Monitoring and Enforcement Program by NERC and the Regional Entities is consistent.

The Compliance Monitoring and Enforcement Program is encouraged to share its observations regarding the need for new or modified Requirements with the NERC Reliability Standards Staff for use in identifying the need for new Reliability Standards projects.

### **3.11: North American Energy Standards Board (“NAESB”)**

While NERC has responsibility for developing Reliability Standards to support reliability, NAESB has responsibility for developing business practices and coordination between reliability and business practices as needed. NERC and NAESB developed and approved a procedure<sup>15</sup> to guide the development of Reliability Standards and business practices where the reliability and business practice components are intricately entwined within a proposed Reliability Standard.

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<sup>15</sup> The NERC NAESB Template Procedure for Joint Standards Development and Coordination is posted on the Reliability Standards Resources web page.

## Section 4.0: Process for Developing, Modifying, Withdrawing or Retiring a Reliability Standard

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There are several steps to the development, modification, withdrawal or retirement of a Reliability Standard.<sup>16</sup>

The development of the *Reliability Standards Development Plan* is the appropriate forum for reaching agreement on whether there is a need for a Reliability Standard and the scope of a proposed Reliability Standard. A typical process for a project identified in the *Reliability Standards Development Plan* that involves a revision to an existing Reliability Standard is shown below. Note that most projects do not include a field test.

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<sup>16</sup> The process described is also applicable to projects used to propose a new or modified definition or Variance or to propose retirement of a definition or Variance.

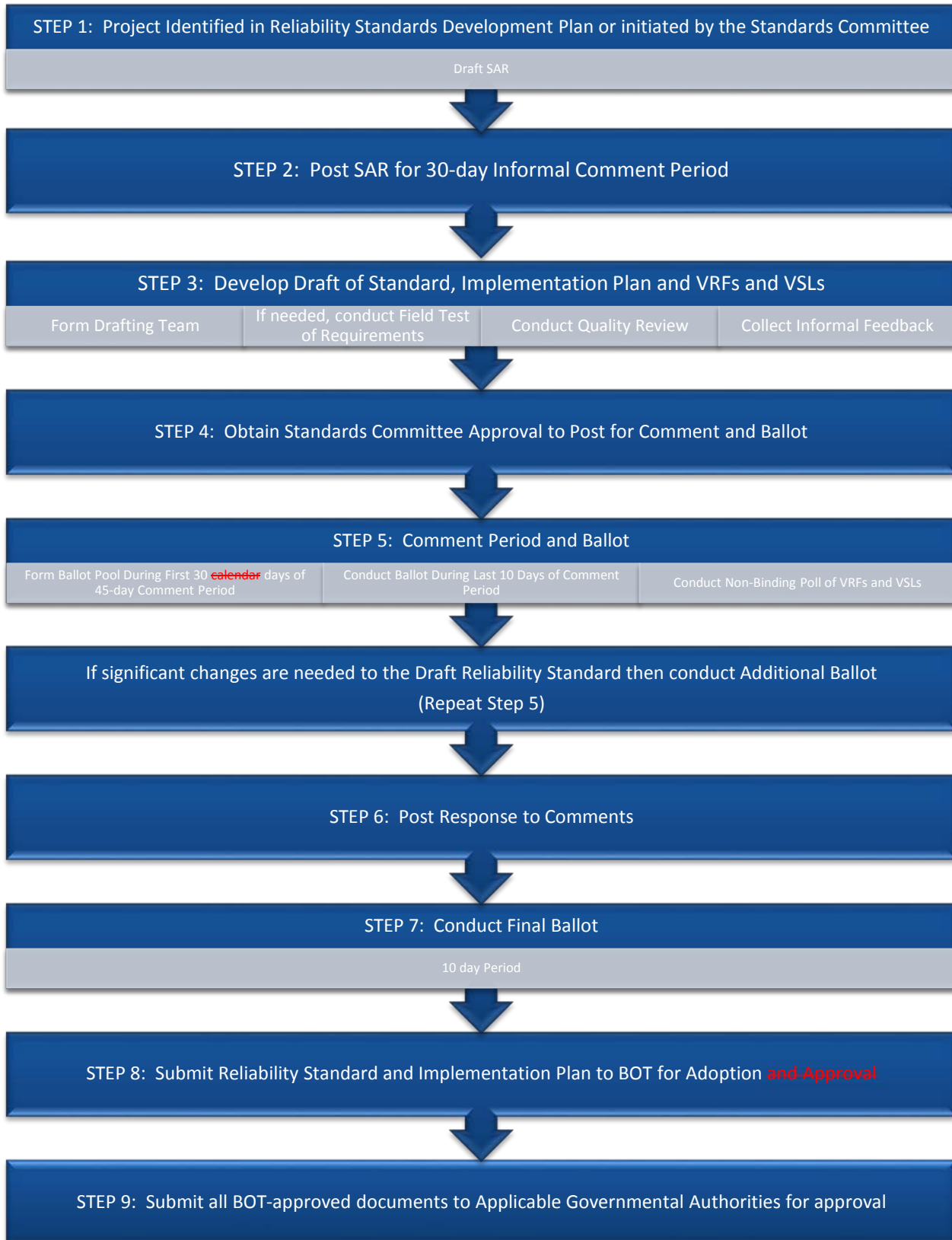


FIGURE 1: Process for Developing or Modifying a Reliability Standard



## 4.1: Posting and Collecting Information on SARs

### Standard Authorization Request

A Standard Authorization Request (“SAR”) is the form used to document the scope and reliability benefit of a proposed project for one or more new or modified Reliability Standards or definitions or the benefit of retiring one or more approved Reliability Standards. Any entity or individual, including NERC committees or subgroups and NERC Staff, may propose the development of a new or modified Reliability Standard, or may propose the retirement of a Reliability Standard (in whole or in part), by submitting a completed SAR<sup>17</sup> to the NERC Reliability Standards Staff.<sup>18</sup> The Standards Committee has the authority to approve the posting of all SARs for projects that propose (i) developing a new or modified Reliability Standard or definition or (ii) propose retirement of an existing Reliability Standard (or elements thereof).

The NERC Reliability Standards Staff sponsors an open solicitation period each year seeking ideas for new Reliability Standards projects (using *Reliability Standards Suggestions and Comments forms*). The open solicitation period is held in conjunction with the annual revision to the *Reliability Standards Development Plan*. While the Standards Committee prefers that ideas for new projects be submitted during this annual solicitation period through submittal of a *Reliability Standards Suggestions and Comments Form*,<sup>19</sup> a SAR proposing a specific project may be submitted to the NERC Reliability Standards Staff at any time.

Each SAR that proposes a “new” or substantially revised Reliability Standard or definition should be accompanied by a technical justification that includes, as a minimum, a discussion of the reliability-related benefits and costs of developing the new Reliability Standard or definition, and a technical foundation document (*e.g.*, research paper) to guide the development of the Reliability Standard or definition. The technical document should address the engineering, planning and operational basis for the proposed Reliability Standard or definition, as well as any alternative approaches considered during SAR development.

The NERC Reliability Standards Staff shall review each SAR and work with the submitter to verify that all required information has been provided. All properly completed SARs shall be submitted to the Standards Committee for action at the next regularly scheduled Standards Committee meeting.

When presented with a SAR, the Standards Committee shall determine if the SAR is sufficiently complete to guide Reliability Standard development and whether the SAR is consistent with this manual. The Standards Committee shall take one of the following actions:

- Accept the SAR.
- Remand the SAR back to the requestor or to NERC Reliability Standards Staff for additional work.
- Reject the SAR. The Standards Committee may reject a SAR for good cause. If the Standards Committee rejects a SAR, it shall provide a written explanation for rejection to the sponsor within ten days of the rejection decision.
- Delay action on the SAR pending one of the following: (i) development of a technical justification for the proposed project; or (ii) consultation with another NERC Committee to determine if there is another approach to addressing the issue raised in the SAR.

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<sup>17</sup> ~~The SAR form can be downloaded from the Reliability Standards Resources web page.~~

<sup>18</sup> ~~The SAR form can be downloaded from~~ is available on the Reliability Standards Resources web page.

<sup>19</sup> The *Reliability Standards Suggestions and Comments Form* can be downloaded from the Reliability Standards Resources web page.

If the Standards Committee is presented with a SAR that proposes developing a new Reliability Standard or definition but does not have a technical justification upon which the Reliability Standard or definition can be developed, the Standards Committee shall direct the NERC Reliability Standards Staff to post the SAR for a 30-day comment period solely to collect stakeholder feedback on the scope of technical foundation, if any, needed to support the proposed project. If a technical foundation is determined to be necessary, the Standards Committee shall solicit assistance from NERC's technical committees or other industry experts to provide that foundation before authorizing development of the associated Reliability Standard or definition.

During the SAR comment process, the drafting team may become aware of potential regional Variances related to the proposed Reliability 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 shall be made a part of the draft new or revised Reliability Standard.

If the Standards Committee accepts a SAR, the project shall be added to the list of approved projects. The Standards Committee shall assign a priority to the project, relative to all other projects under development, and those projects already identified in the *Reliability Standards Development Plan* that are already approved for development.

The Standards Committee shall work with the NERC Reliability Standards Staff to coordinate the posting of SARs for new projects, giving consideration to each project's priority.

## 4.2: SAR Posting

When the Standards Committee determines it is ready to initiate a new project, the Standards Committee shall direct NERC Staff to post the project's SAR in accordance with the following:

- For SARs that are limited to addressing regulatory directives, or revisions to Reliability Standards that have had some vetting in the industry, authorize posting the SAR for a 30-day informal comment period with no requirement to provide a formal response to the comments received.
- For SARs that address the development of new projects or Reliability Standards, authorize posting the SAR for a 30-day formal comment period.

If a SAR for a new Reliability Standard is posted for a formal comment period, the Standards Committee shall appoint a drafting team to work with the NERC Staff coordinator to give prompt consideration of the written views and objections of all participants. The Standards Committee may use a public nomination process to populate the Reliability Standard drafting team, or may use another method that results in a team that collectively has the necessary technical expertise and work process skills to meet the objectives of the project. In some situations, an *ad hoc* team may already be in place with the requisite expertise, competencies, and diversity of views that are necessary to refine the SAR and develop the Reliability Standard, and additional members may not be needed. The drafting team shall address all comments submitted during the public posting period. The drafting team may address the comments, which may be in the form of a summary response addressing each of the issues raised in comments received, during the public posting period. 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. If the drafting team concludes that there is not sufficient stakeholder support to continue to refine the SAR, the team may recommend that the Standards Committee direct curtailment of work on the SAR.

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. The Standards Committee shall notify the sponsor in writing of the rejection within 10 ~~calendar~~ days.

If stakeholders indicate support for the project proposed with the SAR, the drafting team shall present its work to the Standards Committee with a request that the Standards Committee authorize development of the associated Reliability Standard.

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

- Authorize drafting the proposed Reliability Standard or revisions to a Reliability Standard.
- Reject the SAR with a written explanation to the sponsor and post that explanation.

### 4.3: Form Drafting Team

When the Standards Committee is ready to have a drafting team begin work on developing a new or revised Reliability Standard, the Standards Committee shall appoint a drafting team, if one was not already appointed to develop the SAR. If the Standards Committee appointed a drafting team to refine the SAR, the same drafting team shall work to develop the associated Reliability Standard.

If no drafting team is in place, then the Standards Committee may use a public nomination process to populate the Reliability Standard drafting team, or may use another method that results in a team that collectively has the necessary technical expertise, diversity of views, and work process skills to accomplish the objectives of the project on a timely basis. In some situations, an ad hoc team may already be in place with the requisite expertise, competencies, and diversity of views that are necessary to develop the Reliability Standard, and additional members may not be needed.

The NERC Reliability Standards Staff shall provide one or more members as needed to support the team with facilitation, project management, compliance, legal, regulatory and technical writing expertise and shall provide administrative support to the team, guiding the team through the steps in completing its project. In developing the Reliability Standard, the individuals provided by the NERC Reliability Standards Staff serve as advisors to the drafting team and do not have voting rights but share accountability along with the drafting team members assigned by the Standards Committee for timely delivery of a final draft Reliability Standard that meets the quality attributes identified in NERC's *Ten Benchmarks for an Excellent Reliability Standards*. The drafting team members assigned by the Standards Committee shall have final authority over the technical details of the Reliability Standard, while the technical writer shall provide assistance to the drafting team in assuring that the final draft of the Reliability Standard meets the quality attributes identified in NERC's *Ten Benchmarks of an Excellent Reliability Standards*.

Once it is appointed by the Standards Committee, the Reliability Standard drafting team is responsible for making recommendations to the Standards Committee regarding the remaining steps in the Reliability Standards process. Consistent with the need to provide for timely standards development, the Standards Committee may decide a project is so large that it should be subdivided and either assigned to more than one drafting team or assigned to a single drafting team with clear direction on completing the project in specified phases. The normally expected timeframes for standards development within the context of this manual are applicable to individual standards and not to projects containing multiple standards. Alternatively, a single drafting team may address the entire project with a commensurate increase in the expected duration of the development work. If a SAR is subdivided and assigned to more than one drafting team, each drafting team will have a clearly defined portion of the work such that there are no overlaps and no gaps in the work to be accomplished.

The Standards Committee may supplement the membership of a Reliability Standard drafting team or provide for additional advisors, as appropriate, to ensure the necessary competencies and diversity of views are maintained throughout the Reliability Standard development effort.

## 4.4: Develop Preliminary Draft of Reliability Standard, Implementation Plan, and VRFs and VSLs

### 4.4.1: Project Schedule

When a drafting team begins its work, either in refining a SAR or in developing or revising a proposed Reliability Standard, the drafting team shall develop a project schedule which shall be approved by the Standards Committee. The drafting team shall report progress to the Standards Committee, against the initial project schedule and any revised schedule as requested by the Standards Committee. Where project milestones cannot be completed on a timely basis, modifications to the project schedule must be presented to the Standards Committee for consideration along with proposed steps to minimize unplanned project delays.

### 4.4.2: Draft Reliability Standard

The team shall develop a Reliability Standard that is within the scope of the associated SAR that includes all required elements as described earlier in this manual ~~with a goal of and that~~ meets the quality attributes identified in NERC's Ten Benchmarks for of an Excellent Reliability Standards, with a goal of meeting and the criteria for governmental approval. ~~The team shall document its justification for the Requirements in its proposed Reliability Standard by explaining how each meets these criteria. The standard drafting team shall document its justification for selecting each reference by explaining how each Requirement fits the category chosen.~~

The drafting team may, at its discretion, develop one or more supporting technical documents to help explain or facilitate understanding of the draft Reliability Standard, implementation plan, VSL, or VRF. These supporting technical documents may include, among other things: (1) reference documents designed to provide the drafting team's technical rationale, analysis, or explanatory information to support the understanding of the draft Reliability Standard or related element; or (2) white papers designed to explain a technical position or concept underlying the draft Reliability Standard or related element. Such documents may be posted during an informal comment period (Section 4.5) or formal comment period (Section 4.7).

### 4.4.3: Implementation Plan

As a drafting team drafts its proposed revisions to a Reliability Standard, that team is also required to develop an implementation plan to identify any factors for consideration when approving the proposed effective date or dates for the associated Reliability Standard or Standards. As a minimum, the implementation plan shall include the following:

- The proposed effective date (the date entities shall be compliant) for the Requirements.
- Identification of any new or modified definitions that are proposed for approval with the associated Reliability Standard.
- Whether there are any prerequisite actions that need to be accomplished before entities are held responsible for compliance with one or more of the Requirements.
- Whether approval of the proposed Reliability Standard will necessitate any conforming changes to any already approved Reliability Standards – and identification of those Reliability Standards and Requirements.
- The Functional Entities that will be required to comply with one or more Requirements in the proposed Reliability Standard.

A single implementation plan may be used for more than one Reliability Standard. The implementation plan is posted with the associated Reliability Standard or Standards during the ~~45-(calendar)~~ day formal comment period and is balloted with the associated Reliability Standard.

#### 4.4.4: Violation Risk Factors and Violation Severity Levels

The drafting team shall work with NERC Staff in developing a set of VRFs and VSLs that meet the latest criteria established by NERC and Applicable Governmental Authorities. The drafting team shall document its justification for selecting each VRF and for setting each set of proposed VSLs by explaining how its proposed VRFs and VSLs meet these criteria. NERC Staff is responsible for ensuring that the VRFs and VSLs proposed for stakeholder review meet these criteria.

Before the drafting team has finalized its Reliability Standard, implementation plan, and VRFs and VSLs, the team should seek stakeholder feedback on its preliminary draft documents.

#### 4.5: Informal Feedback<sup>20</sup>

Drafting teams may use a variety of methods to collect informal stakeholder feedback on preliminary drafts of its documents, including the use of informal comment periods,<sup>21</sup> webinars, industry meetings, workshops, or other mechanisms. Information gathered from informal comment forms shall be publicly posted. While drafting teams are not required to provide a written response to each individual comment received, drafting teams are encouraged, where possible, to post a summary response that identifies how it used comments submitted by stakeholders. Drafting teams are encouraged, where possible, to reach out directly to individual stakeholders in order to facilitate resolution of identified stakeholder concerns. The intent is to gather stakeholder feedback on a “working document” before the document reaches the point where it is considered the “final draft.”

#### 4.6: Conduct Quality Review

The NERC Reliability Standards Staff shall coordinate a quality review of the Reliability Standard, implementation plan, and VRFs and VSLs in parallel with the development of the Reliability Standard and implementation plan, to assess whether the documents are within the scope of the associated SAR, whether the Reliability Standard is clear and enforceable as written, and whether the Reliability Standard meets the criteria specified in NERC’s *Ten Benchmarks for of an Excellent Reliability Standards* and criteria for governmental approval of Reliability Standards. The drafting team shall consider the results of the quality review, decide upon appropriate changes, and recommend to the Standards Committee whether the documents are ready for formal posting and balloting.

The Standards Committee shall authorize posting the proposed Reliability Standard, and implementation plan for a formal comment period and ballot and the VRFs and VSLs for a non-binding poll as soon as the work flow will accommodate.

If the Standards Committee finds that any of the documents do not meet the specified criteria, the Standards Committee shall remand the documents to the drafting team for additional work.

If the Reliability Standard is outside the scope of the associated SAR, the drafting team shall be directed to either revise the Reliability Standard so that it is within the approved scope, or submit a request to expand the scope of the approved SAR. If the Reliability Standard is not clear and enforceable as written, or if the Reliability Standard does not meet the specified criteria, the Reliability Standard shall be returned to the drafting team by the Standards Committee with specific identification of any Requirement that is deemed to be unclear or unenforceable as written.

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<sup>20</sup> While this discussion focuses on collecting stakeholder feedback on proposed Reliability Standards and implementation plans, the same process is used to collect stakeholder feedback on proposed new or modified Interpretations, definitions and Variances.

<sup>21</sup> The term “informal comment period” refers to a comment period conducted outside of the ballot process and where there is no requirement for a drafting team to respond in writing to submitted comments.

## 4.7: Conduct Formal Comment Period and Ballot

Proposed new or modified Reliability Standards require a formal comment period where the new or modified Reliability Standard, implementation plan and associated VRFs and VSLs or the proposal to retire a Reliability Standard, implementation plan, and associated VRFs and VSLs are posted.

The formal comment period shall be at least 45-days long. Formation of the ballot pool and Ballot of the Reliability Standard take place during this formal 45-day comment period. The intent of the formal comment period(s) is to solicit very specific feedback on the final draft of the Reliability Standard, implementation plan and VRFs and VSLs.

Comments in written form may be submitted on a draft Reliability Standard by any interested stakeholder, including NERC Staff, FERC Staff, and other interested governmental authorities. If stakeholders disagree with some aspect of the proposed set of products, comments provided should explain the reasons for such disagreement and, where possible, suggest specific language that would make the product acceptable to the stakeholder.

## 4.8: Form Ballot Pool

The NERC Reliability Standards Staff shall establish a ballot pool during the first 30 ~~calendar~~ days of the 45-day formal comment period. The NERC Reliability Standards Staff shall post the proposed Reliability Standard, along with its implementation plan, VRFs and VSLs and shall send a notice to every entity in the Registered Ballot Body to provide notice that there is a new or revised Reliability Standard proposed for approval and to solicit participants for the associated ballot pool. All members of the Registered Ballot Body are eligible to join each ballot pool to vote on a new or revised Reliability Standard and its implementation plan and to participate in the non-binding poll of the associated VRFs and VSLs.

Any member of the Registered Ballot Body may join or withdraw from the ballot pool until the ballot window opens. No Registered Ballot Body member may join or withdraw from the ballot pool once the first ballot starts through the point in time where balloting for that Reliability Standard action has ended. The Director of Standards or its designee may authorize deviations from this rule for extraordinary circumstances such as the death, retirement, or disability of a ballot pool member that would prevent an entity that had a member in the ballot pool from eligibility to cast a vote during the ballot window. Any ~~approved~~ authorized deviation shall be documented and noted to the Standards Committee.

## 4.9: Conduct Ballot and Non-binding Poll of VRFs and VSLs<sup>22</sup>

The NERC Reliability Standards Staff shall announce the opening of the Ballot window and the non-binding poll of VRFs and VSLs. The Ballot window and non-binding poll of VRFs and VSLs shall take place during the last 10 ~~calendar~~ days of the 45-day formal comment period and for the Final Ballot shall be no less than 10 ~~calendar~~ days. If the last day of the ballot window falls on a Saturday or Sunday, the period does not end until the next business day.<sup>23</sup>

The ballot and non-binding poll shall be conducted electronically. The voting window shall be for a period of 10 ~~calendar~~ days but shall be extended, if needed, until a quorum is achieved. During a ballot window, NERC shall not sponsor or facilitate public discussion of the Reliability Standard action under ballot.

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<sup>22</sup> While RSAWs are not part of the Reliability Standard, they are developed through collaboration of the SDT and NERC Compliance Staff. A non-binding poll, similar to what is done for VRFs and VSLs may be conducted for the RSAW developed through this process to gauge industry support for the companion RSAW to be provided for informational purposes to the NERC Board of Trustees.

<sup>23</sup> Closing dates may be extended as deemed appropriate by NERC Staff.

There is no requirement to conduct a new non-binding poll of the revised VRFs and VSLs if no changes were made to the associated standard, however if the requirements are modified and conforming changes are made to the associated VRFs and VSLs, another non-binding poll of the revised VRFs and VSLs shall be conducted.

#### 4.10: Criteria for Ballot Pool Approval

Ballot pool approval of a Reliability Standard requires:

A quorum, which is established by at least 75% of the members of the ballot pool submitting a response; and

A two-thirds majority of the weighted Segment votes cast shall be affirmative. The number of votes cast is the sum of affirmative votes and negative votes with comments. This calculation of votes for the purpose of determining consensus excludes (i) abstentions, (ii) non-responses, and (iii) negative votes without comments.

The following process<sup>24</sup> is used to determine if there are sufficient affirmative votes.

- For each Segment with ten or more voters, the following process shall be used: The number of affirmative votes cast shall be divided by the sum of affirmative and negative votes with comments cast to determine the fractional affirmative vote for that Segment. Abstentions, non-responses, and negative votes without comments shall not be counted for the purposes of determining the fractional affirmative vote for a Segment.
- For each Segment with less than ten voters, the vote weight of that Segment shall be proportionally reduced. Each voter within that Segment voting affirmative or negative with comments shall receive a weight of 10% of the Segment vote.
- The sum of the fractional affirmative votes from all Segments divided by the number of Segments voting<sup>25</sup> shall be used to determine if a two-thirds majority has been achieved. (A Segment shall be considered as “voting” if any member of the Segment in the ballot pool casts either an affirmative vote or a negative vote with comments.)
- A Reliability Standard shall be approved if the sum of fractional affirmative votes from all Segments divided by the number of voting Segments is at least two thirds.

#### 4.11: Voting Positions

Each member of the ballot pool may **only** vote one of the following positions on the Ballot and Additional Ballot(s):

- Affirmative;
- Affirmative, with comment;
- Negative with comments;
- Abstain.

Given that there is no formal comment period concurrent with the Final Ballot, each member of the ballot pool may **only** vote one of the following positions on the Final Ballot:

- Affirmative;

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<sup>24</sup> Examples of weighted segment voting calculation are posted on the Reliability Standards Resources web page.

<sup>25</sup> 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.

- Negative;<sup>26</sup>
- Abstain.

## 4.12: Consideration of Comments and Additional Ballots

A drafting team must respond in writing to every stakeholder written comment submitted in response to a ballot prior to conducting a Final Ballot. These responses may be provided in summary form, but all comments and objections must be responded to by the drafting team. All comments received and all responses shall be publicly posted.

If a stakeholder or balloter proposes a significant revision to a Reliability Standard during the formal comment period or concurrent Ballot that will improve the quality, clarity, or enforceability of that Reliability Standard, then the drafting team may choose to make such revisions and post the revised Reliability Standard for another 45-~~calendar~~ day public comment period and ballot. However, a drafting team is not required to respond in writing to comments to the previous ballot when it determines that significant changes are needed and an Additional Ballot will be conducted. Prior to posting the revised Reliability Standard for an additional comment period, the drafting team must communicate this decision to stakeholders. This communication is intended to inform stakeholders that the drafting team has identified that significant revisions to the Reliability Standard are necessary and should note that the drafting team is not required to respond in writing to comments from the previous ballot. The drafting team will respond to comments received in the last Additional Ballot prior to conducting a Final Ballot.

There are no limits to the number of public comment periods and ballots that can be conducted to result in a Reliability Standard or interpretation that is clear and enforceable, and achieves a quorum and sufficient affirmative votes for approval. The Standards Committee has the authority to conclude this process for a particular Reliability Standards action if it becomes obvious that the drafting team cannot develop a Reliability Standard that is within the scope of the associated SAR, is sufficiently clear to be enforceable, and achieves the requisite weighted Segment approval percentage.

~~There is no formal comment period concurrent with the Final Ballot and no obligation for the drafting team to respond to any comments submitted during the Final Ballot.~~

## ~~4.13: Additional Ballots~~

~~A drafting team must respond in writing to every stakeholder written comment submitted in response to a ballot prior to conducting a Final Ballot. These responses may be provided in summary form, but all comments and objections must be responded to by the drafting team. All comments received and all responses shall be publicly posted.~~

~~However, a drafting team is not required to respond in writing to comments to the previous ballot when it determines that significant changes are needed and an Additional Ballot will be conducted.~~

## 4.13: Conduct Final Ballot

When the drafting team has reached a point where it has made a good faith effort at resolving applicable objections and is not making any substantive changes from the previous ballot, the team shall conduct a “Final Ballot.” A non-substantive revision is a revision that does not change the scope, applicability, or intent of any Requirement and includes but is not limited to things such as correcting the numbering of a Requirement, correcting the spelling of a

<sup>26</sup> The Final Ballot is used to confirm consensus achieved during the Formal Comment and Ballot stage. Ballot Pool members voting negative on the Final Ballot will be deemed to have expressed the reason for their negative ballot in their own comments or the comments of others during prior Formal Comment periods.



word, adding an obviously missing word, or rephrasing a Requirement for improved clarity. Where there is a question as to whether a proposed modification is “substantive,” the Standards Committee shall make the final determination.

In the Final Ballot, members of the ballot pool shall again be presented the proposed Reliability Standard along with the reasons for negative votes from the previous ballot, the responses of the drafting team to those concerns, and any resolution of the differences.

All members of the ballot pool shall be permitted to reconsider and change their vote from the prior ballot. Members of the ballot pool who did not respond to the prior ballot shall be permitted to vote in the Final Ballot. In the Final Ballot, votes shall be counted by exception only — members on the Final Ballot may indicate a revision to their original vote; otherwise their vote shall remain the same as in their prior ballot.

There is no formal comment period concurrent with the Final Ballot and no obligation for the drafting team to respond to any comments submitted during the Final Ballot.

#### **4.1514: Final Ballot Results**

~~There are no limits to the number of public comment periods and ballots that can be conducted to result in a Reliability Standard or interpretation that is clear and enforceable, and achieves a quorum and sufficient affirmative votes for approval. The Standards Committee has the authority to conclude this process for a particular Reliability Standards action if it becomes obvious that the drafting team cannot develop a Reliability Standard that is within the scope of the associated SAR, is sufficiently clear to be enforceable, and achieves the requisite weighted Segment approval percentage.~~

The NERC Reliability Standards Staff shall post the final outcome of the ballot process. If the Reliability Standard is rejected, the Standards Committee may decide whether to end all further work on the proposed standard, return the project to informal development, or continue holding ballots to attempt to reach consensus on the proposed standard. If the Reliability Standard is approved, the Reliability Standard shall be posted and presented to the Board of Trustees by NERC management for adoption and subsequently filed with Applicable Governmental Authorities for approval.

#### **4.1615: Board of Trustees Adoption of Reliability Standards, Implementation Plan and VRFs and VSLs**

If a Reliability Standard and its associated implementation plan are approved by its ballot pool, the Board of Trustees shall consider adoption of that Reliability Standard and its associated implementation plan and shall direct the standard to be filed with Applicable Governmental Authorities for approval. In making its decision, the Board shall consider the results of the balloting and unresolved dissenting opinions. The Board shall adopt or reject a Reliability Standard and its implementation plan, but shall not modify a proposed Reliability Standard. If the Board chooses not to adopt a Reliability Standard, it shall provide its reasons for not doing so.

The ~~board~~Board shall consider approval of the VRFs and VSLs associated with a ~~reliability~~Reliability standardStandard. In making its determination, the board shall consider the following:

- The Standards Committee shall present the results of the non-binding poll conducted and a summary of industry comments received on the final posting of the proposed VRFs and VSLs.
- NERC Staff shall present a set of recommended VRFs and VSLs that considers the views of the standard drafting team, stakeholder comments received on the draft VRFs and VSLs during the posting for comment process, the non-binding poll results, appropriate governmental agency rules and directives, and VRF and VSL assignments for other Reliability Standards to ensure consistency and relevance across the entire spectrum of Reliability Standards.

#### **4.~~17~~16: Compliance**

For a Reliability Standard to be enforceable, it shall be approved by its ballot pool, adopted by the NERC Board of Trustees, and approved by Applicable Governmental Authorities, unless otherwise approved by the NERC Board of Trustees pursuant to the NERC Rules of Procedure (*e.g.*, Section 321) and approved by Applicable Governmental Authorities. Once a Reliability Standard is approved or otherwise made mandatory by Applicable Governmental Authorities, all persons and organizations subject to jurisdiction of the ERO will be required to comply with the Reliability Standard in accordance with applicable statutes, regulations, and agreements.

#### **4.~~18~~17: Withdrawal of a Reliability Standard, Interpretation, or Definition**

The term “withdrawal” as used herein, refers to the discontinuation of a Reliability Standard, Interpretation, Variance or definition that has been approved by the Board of Trustees and (1) has not been filed with Applicable Governmental Authorities, or (2) has been filed with, but not yet approved by, Applicable Governmental Authorities. The Standards Committee may withdraw a Reliability Standard, Interpretation or definition for good cause upon approval by the Board of Trustees. Upon approval by the Board of Trustees, NERC Staff will petition the Applicable Governmental Authorities, as needed, to allow for withdrawal. The Board of Trustees also has an independent right of withdrawal that is unaffected by the terms and conditions of this Section.

#### **4.~~19~~18: Retirement of a Reliability Standard, Interpretation, or Definition**

The term “retirement” refers to the discontinuation of a Reliability Standard, Interpretation or definition that has been approved by Applicable Governmental Authorities. A Reliability Standard, Variance or Definition may be retired when it is superseded by a revised version, and in such cases the retirement of the earlier version is to be noted in the implementation plan presented to the ballot pool for approval and the retirement shall be considered approved by the ballot pool upon ballot pool approval of the revised version.

Upon identification of a need to retire a Reliability Standard, Variance, Interpretation or definition, where the item will not be superseded by a new or revised version, a SAR containing the proposal to retire a Reliability Standard, Variance, Interpretation or definition will be posted for a comment period and ballot in the same manner as a Reliability Standard. The proposal shall include the rationale for the retirement and a statement regarding the impact of retirement on the reliability of the Bulk Power System. Upon approval by the Board of Trustees, NERC Staff will petition the Applicable Governmental Authorities to allow for retirement.

## Section 5.0: Process for Developing a Defined Term

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NERC maintains a glossary of approved terms, entitled the *Glossary of Terms Used in NERC Reliability Standards*<sup>27</sup> (“Glossary of Terms”). The Glossary of Terms includes terms that have been through the formal approval process and are used in one or more NERC Reliability Standards. Definitions shall not contain statements of performance Requirements. The Glossary of Terms is intended to provide consistency throughout the Reliability Standards.

There are several methods that can be used to add, modify or retire a defined term used in a continent-wide Reliability Standard.

- Anyone can use a Standard Authorization Request (“SAR”) to submit a request to add, modify, or retire a defined term.
- Anyone can submit a Standards Comments and Suggestions Form recommending the addition, modification, or retirement of a defined term. (The suggestion would be added to a project and incorporated into a SAR.)
- A drafting team may propose to add, modify, or retire a defined term in conjunction with the work it is already performing.

### 5.1: Proposals to Develop a New or Revised Definition

The following considerations should be made when considering proposals for new or revised definitions:

- Some NERC Regional Entities have defined terms that have been approved for use in Regional Reliability Standards, and where the drafting team agrees with a term already defined by a Regional Entity, the same definition should be adopted if needed to support a NERC Reliability Standard.
- If a term is used in a Reliability Standard according to its common meaning (as found in a collegiate dictionary), the term shall not be proposed for addition to the Glossary of Terms.
- If a term has already been defined, any proposal to modify or delete that term shall consider all uses of the definition in approved Reliability Standards, with a goal of determining whether the proposed modification is acceptable, and whether the proposed modification would change the scope or intent of any approved Reliability Standards.
- When practical, where NAESB has a definition for a term, the drafting team shall use the same definition to support a NERC Reliability Standard.

Any definition that is balloted separately from a proposed new or modified Reliability Standard or from a proposal for retirement of a Reliability Standard shall be accompanied by an implementation plan.

If a SAR is submitted to the NERC Reliability Standards Staff with a proposal for a new or revised definition, the Standards Committee shall consider the urgency of developing the new or revised definition and may direct NERC Staff to post the SAR immediately, or may defer posting the SAR until a later time based on its priority relative to other projects already underway or already approved for future development. If the SAR identifies a term that is used in a Reliability Standard already under revision by a drafting team, the Standards Committee may direct the drafting team to add the term to the scope of the existing project. Each time the Standards Committee accepts a SAR for a project that was not identified in the *Reliability Standards Development Plan*, the project shall be added to the list of approved projects.

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<sup>27</sup> The latest approved version of the Glossary of Terms is posted on the NERC website on the Standards web page.

## 5.2: Stakeholder Comments and Approvals

Any proposal for a new or revised definition shall be processed in the same manner as a Reliability Standard and quality review shall be conducted in parallel with this process. Once authorized by the Standards Committee, the proposed definition and its implementation plan shall be posted for at least one formal stakeholder comment period and shall be balloted in the same manner as a Reliability Standard. If a new or revised definition is proposed by a drafting team, that definition may be balloted separately from the associated Reliability Standard.

Each definition that is approved by its ballot pool shall be submitted to the NERC Board of Trustees for adoption and then filed with Applicable Governmental Authorities for approval in the same manner as a Reliability Standard.

## Section 6.0: Processes for Conducting Field Tests ~~and Collecting and Analyzing Data~~

While most drafting teams can develop ~~their~~ Reliability Standards without the need to conduct any field tests and without the need to collect and analyze data, some Reliability Standard development efforts may ~~require benefit from~~ field tests to analyze data and validate concepts in the development of Reliability Standards. ~~Drafting teams are not required to collect and analyze data or to conduct a field test to validate a Reliability Standard.~~

~~There are two types of field tests – tests of concepts and tests of requirements. A field test is initiated by either a SAR or Reliability Standard drafting team. The drafting team is responsible for developing the field test plan, including the implementation schedule, and identifying compliance-related issues, such as the potential need for compliance waivers. Participation in a field test is voluntary.~~

### 6.1: Field Tests and Data Analysis ~~for Validation of Concepts (collectively “field test”)~~

- ~~Field tests or collection and analysis of data to validate concepts that supports supporting the development of Requirements Reliability Standards should be conducted before finalizing the SAR for a project is finalized. If an entity wants to test a technical concept in support of a proposal for a new or revised Reliability Standard, the entity should either work with one of NERC’s technical committees in collecting and analyzing the data or in conducting the field test, or the entity should submit a SAR with a request to collect and analyze data or conduct a field test to validate the concept prior to developing a new or revised Reliability Standard. The request to collect and analyze data or conduct a field test should include, at a minimum, either the data collection and analysis or field test plan, the implementation schedule, and an expectation for periodic updates of the analysis of the results. If the SAR sponsor has not collected and analyzed the data or conducted the field test, the Standards Committee may solicit support from NERC’s technical committees or others in the industry. The results of the data collection and analysis or field test shall then be used to determine whether to add the SAR to the list of projects in the Reliability Standard Development Plan.~~
- ~~To conduct a field test of a technical concept in a proposed new or revised Reliability Standard, the SAR or standard drafting team shall work with NERC Staff to identify one of NERC’s technical committees to oversee the field test as well as other technical committees with relevant technical expertise.~~
- ~~The drafting team shall perform the field test, in coordination with NERC Staff and under the supervision of the assigned technical committee, in accordance with an approved field test plan. The drafting team may be assisted by other individuals based on the required expertise needed to support the field test.~~
- ~~The lead NERC technical committee shall identify potential field test participants.~~

#### 6.1.1: Field Test Approval

~~The request to conduct a field test shall include, at a minimum:~~

- ~~the field test plan;~~
- ~~the implementation schedule; and~~
- ~~a schedule for providing periodic updates regarding field test results and analysis to the lead NERC technical committee.~~

~~Prior to the drafting team conducting a field test, the drafting team shall: (i) first receive approval from the lead NERC technical committee; and (ii) then receive approval from the Standards Committee.~~

The lead NERC technical committee shall base its approval on the technical adequacy of the field test request. Following approval, the lead NERC technical committee shall provide a recommendation to the Standards Committee for the disposition of the field test request.

The Standards Committee's decision to approve the field test request shall be based on: (i) an affirmative recommendation from the lead NERC technical committee regarding the field test plan; and (ii) the Standards Committee's approval of the implementation schedule and the periodic update schedule. If the Standards Committee rejects the field test request, the Standards Committee shall provide an explanation of the decision to the lead NERC technical committee.

### **6.1.2: Compliance Waivers**

~~If the conduct of a field test (concepts or Requirements) or data collection and analysis could~~ Compliance waivers may be required for Registered Entities that would be rendered Registered Entities incapable of complying with the current Requirement(s) of an approved currently enforceable Reliability Standard that is undergoing revision, the drafting team shall request a temporary waiver from compliance to those Requirements for entities due to their participating in the field test. Upon request, the Standards Committee shall seek approval for the waiver from ~~the~~ The NERC Compliance Monitoring and Enforcement Program Staff prior to the approval of the field test or data collection and analysis. shall determine whether to approve any such compliance waivers and shall be responsible for approving any modifications or terminations to approved waivers that may become necessary in the course of conducting the field test. Staff shall notify the affected Registered Entities of all compliance waiver determinations.

### **6.1.3: Field Test Suspension for Reliability Concerns**

During the field test, if NERC or the lead NERC technical committee overseeing the field test determines that the field test is creating a reliability risk to the Bulk Power System, NERC or the lead NERC technical committee shall:

- stop the activity;
- inform the Standards Committee that the activity was stopped; and
- if NERC or the lead technical committee is of the opinion a modification to the field test is necessary, provide a technical justification to the drafting team.

The Standards Committee, with the assistance of NERC Staff, shall:

- document the cessation or modification of the field test; and
- notify NERC Compliance Monitoring and Enforcement Program Staff to coordinate any compliance-related issues such as continuing or terminating waivers, where applicable (see Section 6.1.2).

Prior to modifying the field test or restarting the field test after it has been stopped, the drafting team shall resubmit the field test request and receive approval as outlined in Section 6.1.1.

### **6.1.4: Continuing, Modifying, or Terminating a Field Test**

If the drafting team determines that a field test does not provide sufficient information to formulate a conclusion within the time allotted in the plan, it shall provide to the lead NERC technical committee and the chair of the Standards Committee a recommendation to continue, modify, or terminate the field test. The lead NERC technical committee shall either approve or reject a request to continue, modify, or terminate the field test and thereafter provide notice to the Standards Committee chair of its decision. The Standards Committee shall notify NERC Compliance Monitoring and Enforcement Program Staff to coordinate any compliance-related issues such as continuing or terminating waivers (see Section 6.1.2).

If the duration of the field test is extended beyond the period of standard development, NERC Staff shall post the preliminary report and results on the NERC web site prior to the final ballot of the Reliability Standard.

## ~~6.2: Field Tests and Data Analysis for Validation of Requirements~~

~~If a drafting team wants to conduct a field test or collect and analyze data to validate its proposed Requirements in a Reliability Standard, the team shall first obtain approval from the Standards Committee.<sup>28</sup> Drafting teams are not required to collect and analyze data or to conduct a field test to validate a Reliability Standard.~~

~~The request should include at a minimum the data collection and analysis or field test plan, the implementation schedule, and an expectation for periodic updates of the results. When authorizing a drafting team to collect and analyze data or to conduct a field test of one or more Requirements, the Standards Committee may request inputs on technical matters related from NERC's technical committees or industry experts, and may request the assistance of the Compliance Monitoring and Enforcement Program. All data collection and analysis and all field tests shall be concluded and the results incorporated into the Reliability Standard Requirements as necessary before proceeding to the formal comment period and subsequent balloting.~~

## **6.32: Communication and Coordination for All Types of Field Tests and Data Analyses**

Prior to initiating the field test, the Standards Committee chair and the lead NERC technical committee chair shall inform the Board of Trustees of the pending field test, the expected duration, and any requested compliance waivers.

During the field test, the drafting team shall provide periodic updates (no less than quarterly) on the progress of the field test to the Standards Committee and the NERC technical committees. Prior to the ballot of any standard involving a field test, the drafting team shall provide to the Standards Committee either: (i) a preliminary report of the field test results of the field test to date, if the field test will continue beyond standard development; or (ii) a final report of the field test results. The Standards Committee chair shall keep the Board of Trustees informed regarding field test status.

~~Once a plan for a field test or a plan for data collection and analysis is approved, the NERC Reliability Standards Staff shall, under the direction of the Standards Committee, coordinate the implementation of the field test or data collection and analysis and shall provide official notice to the participants in the field test or data collection of any applicable temporary waiver to compliance with specific noted Requirements. The drafting team conducting the field test shall provide periodic updates on the progress of the field tests or data collection and analysis to the Standards Committee. The Standards Committee has the right to curtail a field test or data collection and analysis that is not implemented in accordance with the approved plan.~~

~~The approved field test plan and any modifications thereto, along with or data collection and analysis plan, its approval, its participants, and all field test reports and results, shall be publicly posted for stakeholder review on the Reliability Standards NERC web page site. The participant list shall also be posted, unless posting this list would present confidentiality or other concerns.~~

~~If a drafting team conducts or participates in a field test or in data collection and analysis (of concepts or Requirements), it shall provide a final report that identifies the results and how those results will be used.~~

<sup>28</sup> ~~The Process for Approving Data Collection and Analysis and Field Tests Associated with a Reliability Standard is posted on the Reliability Standards Resources web page.~~

## Section 7.0: Process for Developing an Interpretation

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. A valid Interpretation response provides additional clarity about one or more Requirements, but does not expand on any Requirement and does not explain how to comply with any Requirement. Any entity that is directly and materially affected by the reliability of the North American Bulk Power Systems may request an Interpretation of any Requirement in any continent-wide Reliability Standard that has been adopted by the NERC Board of Trustees. Interpretations will only be provided for Board of Trustees-approved Reliability Standards *i.e.* (i) the current effective version of a Reliability Standard; or (ii) a version of a Reliability Standard with a future effective date.

### 7.1: Valid Interpretation Criteria

~~An~~ A valid Interpretation may only clarify or ~~interpret~~ explain the meaning of the language of the Requirement(s) of an approved Reliability Standard, including, if applicable, any referenced attachment ~~referenced in the Requirement being clarified~~. A valid Interpretation may not alter the scope or language of a Requirement or referenced attachment. No other elements of an approved Reliability Standard are subject to an Interpretation.

### 7.2: Process for Requesting an Interpretation

The entity requesting ~~the an~~ Interpretation shall submit a *Request for Interpretation* form<sup>29</sup> to ~~the~~ NERC Reliability Standards Staff explaining the clarification or explanation requested, the specific circumstances surrounding the request, and the impact of not having the Interpretation provided. ~~The~~ NERC Reliability Standards and Legal Staffs shall review the request for ~~interpretation~~ Interpretation to determine whether it meets the requirements criteria for a valid ~~interpretation~~ Interpretation. Based on this review, ~~the~~ NERC Standards and Legal Staffs shall make a recommendation to the Standards Committee whether to accept the request for Interpretation and move forward in responding to the Interpretation request. NERC Staff shall periodically communicate to the Standards Committee the status of all Interpretation requests that are pending resolution.

#### 7.2.1: Rejection of an Interpretation Request

~~For example,~~ The Standards Committee may reject a request for an Interpretation ~~request may be rejected where it in~~ the following circumstances:

- ~~The~~ Requests request seeks approval of a particular compliance approach <sup>30</sup>;
- ~~Identifies a gap or perceived weakness in the approved Reliability Standard;~~
- ~~The~~ Where an issue can be addressed by incorporating the issue into an active existing standard ~~drafting team development project or a project contemplated in a published development plan.~~;
- ~~The~~ Where it requests seeks clarification or explanation of any element of a Reliability Standard other than a Requirement or referenced attachment.;
- ~~Where a question~~ The issue has already been addressed in the record <sup>31</sup>;
- ~~Where the Interpretation~~ The request identifies an issue and proposes the development of a new or modified Reliability Standard, (such issues should be addressed via submission of a SAR);;
- ~~Where an Interpretation~~ The request seeks to expand alter the scope of a Reliability Standard, ~~or~~

<sup>29</sup> The *Request for Interpretation* form is posted on the NERC Standards web page.

<sup>30</sup> Requests that seek approval of specific compliance approaches, or examples of compliance, are not candidates for Interpretations and should be pursued through the applicable NERC Compliance Monitoring and Enforcement Program processes.

<sup>31</sup> The “record” is generally understood to refer to the record of development, regulatory approval record, or other materials developed to support the development or approval of a Reliability Standard.



- ~~Where t~~The meaning of a Reliability Standard is ~~plain on its face~~ clear and evident by inspection or the plain words that are written.

If the Standards Committee rejects the Interpretation request, it shall provide a written explanation for ~~the rejecting rejection the Interpretation~~ to the entity requesting the Interpretation within 10 business days of the decision to reject.

### **7.2.2: Acceptance of an Interpretation Request**

If the Standards Committee accepts the Interpretation request, ~~the NERC Standards Staff~~it shall authorize NERC Staff to (i) form a ballot pool and (ii) assemble an Interpretation drafting team with the relevant expertise to address the interpretation for approval by the Standards Committee with the relevant expertise to address the request.

### **7.2.3: Development of an Interpretation**

As soon as practical, the Interpretation drafting team shall develop a “final draft” Interpretation, consistent with Section 7.1 providing the requested clarity. Interpretations shall be developed in accordance with the following process:

- NERC Staff shall review the draft Interpretation to determine whether it meets the criteria for a valid Interpretation and shall provide to the Standards Committee a recommendation to authorize posting or remand to the Interpretation drafting team for further work.
- The Standards Committee, after reviewing the recommendation, shall determine whether to authorize posting of the draft Interpretation for comment and ballot.
- Interpretations ~~will~~shall be balloted in the same manner as Reliability Standards (see Section 4.0).

If ~~stakeholder comments the ballot results~~ indicate that there is not a consensus for the Interpretation, and the Interpretation drafting team cannot revise the Interpretation without violating the basic ~~expectations criteria for what constitutes a valid Interpretation (see Section 7.1), outlined above,~~ the Interpretation drafting team shall notify the Standards Committee of its conclusion and may submit a SAR with the proposed modification to the Reliability Standard. The entity that requested the Interpretation shall be notified in writing and the disposition of the Interpretation shall be posted.

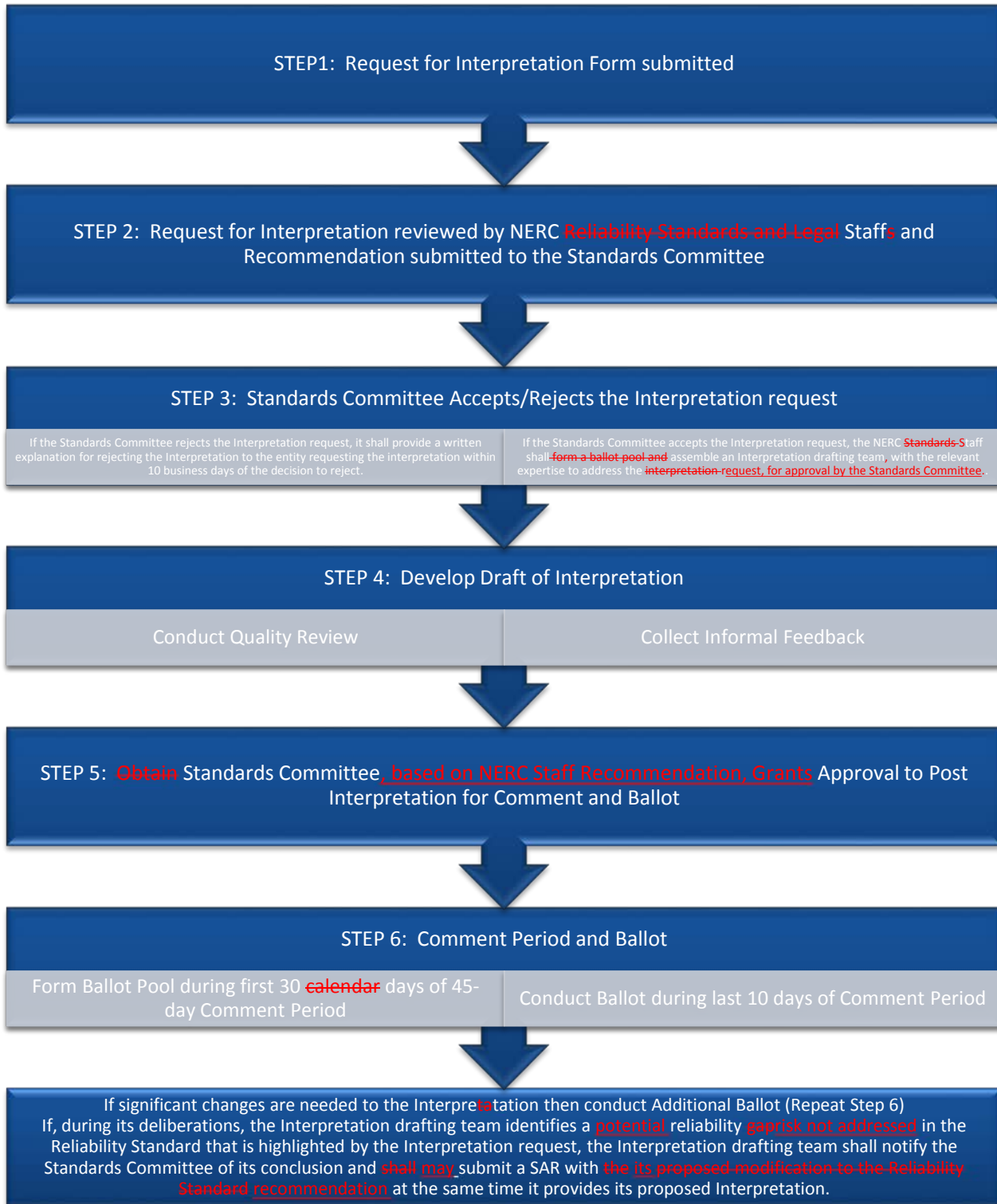
If, during its deliberations, the Interpretation drafting team identifies a potential reliability ~~gap risk not addressed~~ in the Reliability Standard that is highlighted by the Interpretation request, the Interpretation drafting team shall notify the Standards Committee of its conclusion and may submit a SAR with ~~the proposed modification to the Reliability Standard~~its recommendation at the same time it provides its proposed Interpretation.

If the ballot pool approves the Interpretation, ~~The NERC Reliability Standards and Legal Staffs~~ shall review ~~the final Interpretation~~it to determine whether it ~~has met~~meets the ~~requirements criteria~~ for a valid Interpretation. ~~and Based on this review, the NERC Standards and Legal Staffs~~ shall make a recommendation to the NERC Board of Trustees regarding adoption.

~~If approved by its ballot pool, the Interpretation shall be forwarded to the NERC Board of Trustees for adoption.~~<sup>32</sup>—If an Interpretation drafting team ~~proposes recommends a modification to~~modifying a Reliability Standard ~~as part of based on~~ its work in developing ~~an the~~ Interpretation, the Board of Trustees shall be notified of this ~~proposal recommendation~~ at the time the Interpretation is submitted for adoption. Following ~~by the~~ Board of Trustees ~~adoption,~~ NERC Staff ~~the Interpretation~~ shall be filed with the Interpretation for approval by the Applicable Governmental Authorities, and the Interpretation shall become effective when approved by those Applicable

<sup>32</sup> ~~NERC will maintain a record of all interpretations associated with each standard on the Reliability Standards page of the NERC website.~~

Governmental Authorities.<sup>33</sup> The Interpretation shall stand until ~~such time as the Interpretation~~it can be incorporated into a future revision of the Reliability Standard or ~~the Interpretation~~is retired due to a future modification of the applicable Requirement.



<sup>33</sup> NERC will maintain a record of all Interpretations associated with each standard on the Reliability Standards page of the NERC website.

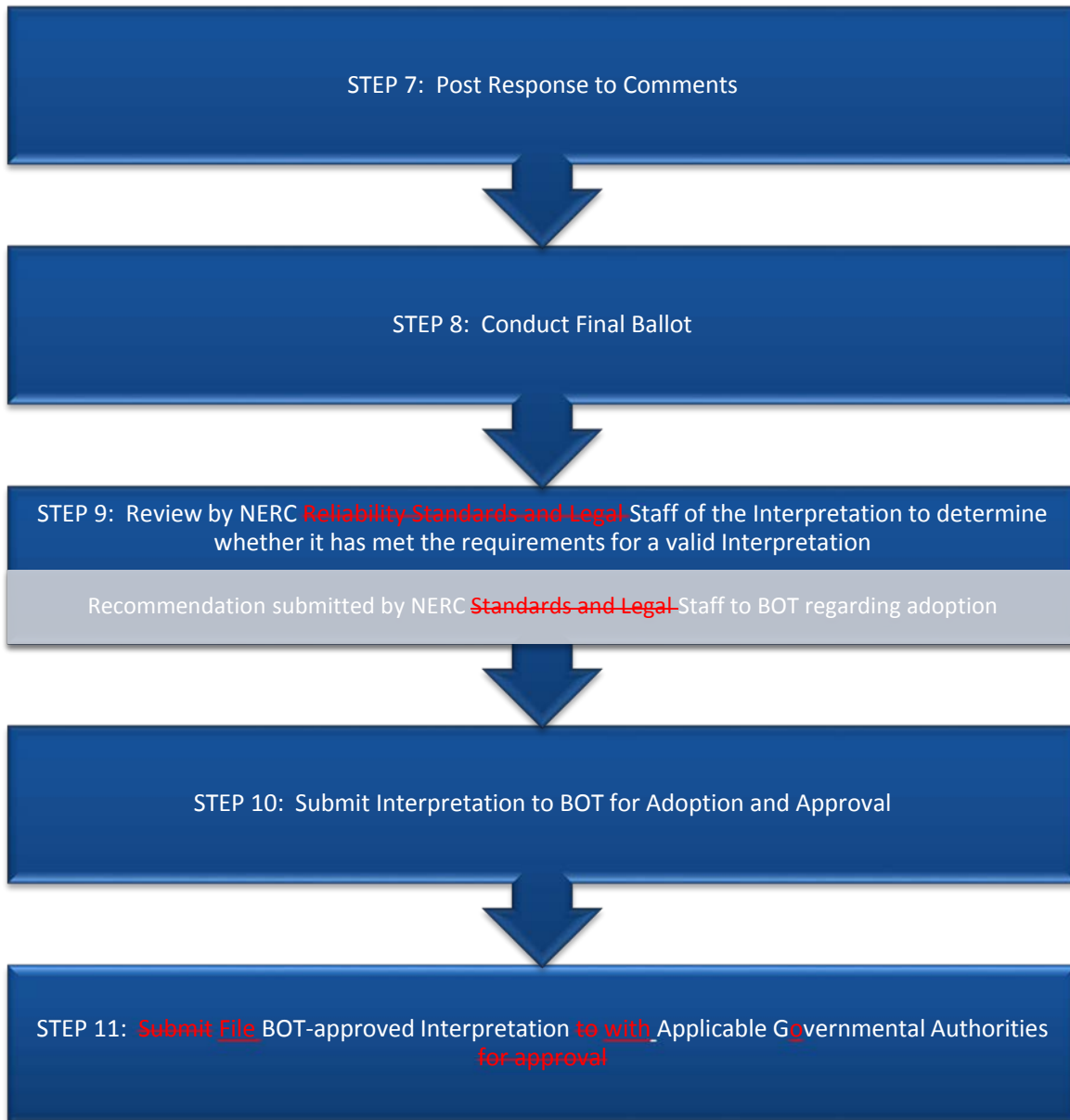


FIGURE 2: Process for Developing an Interpretation

## Section 8.0: Process for Appealing an Action or Inaction

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Any entity that has directly and materially affected interests and that has been or will be adversely affected by any procedural action or inaction related to the development, approval, revision, reaffirmation, retirement or withdrawal of a Reliability Standard, definition, Variance, associated implementation plan, or Interpretation shall have the right to appeal. This appeals process applies only to the NERC Reliability Standards processes as defined in this manual, not to the technical content of the Reliability Standards action.

The burden of proof to show adverse effect shall be on the appellant. Appeals shall be made in writing 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. 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.

### 8.1: Level 1 Appeal

Level 1 is the required first step in the appeals process. The appellant shall submit (to the Director of Standards) a complaint in writing that describes the procedural action or inaction associated with the Reliability Standards process. The appellant shall describe in the complaint the actual or potential adverse impact to the appellant. Assisted by NERC Staff and industry resources as needed, the Director of Standards or its designee 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 shall be made a part of the public record associated with the Reliability Standard.

At any time prior to receiving the written response to the Level 1 Appeal, an appellant may withdraw the Level 1 Appeal with written notice to the Director of Standards.

### 8.2: 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 Director of Standards, the Director of Standards or its designee shall convene a Level 2 Appeals Panel. This panel shall consist of five members 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 NERC Reliability Standards Staff 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 entity that is directly and materially affected by the 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, definition, Variance or Interpretation or implementation plan as these responsibilities remain with the ballot pool and Board of Trustees respectively. The actions of the Level 2 Appeals Panel shall be publicly posted.

At any time prior to the meeting of the Level 2 Appeals Panel, an appellant may withdraw the Level 2 Appeal and accept the results of the Level 1 Appeal by providing written notice to the Director of Standards.

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, definition, Variance or Interpretation. The objection shall 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

shall be filed no later than 30 days after the announcement of the vote by the ballot pool on the Reliability Standard in question.

## Section 9.0: Process for Developing a Variance

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A Variance is an approved, alternative method of achieving the reliability intent of one or more Requirements in a Reliability Standard. No Regional Entity or Bulk Power System owner, operator, or user shall claim a Variance from a NERC Reliability Standard without approval of such a Variance through the relevant Reliability Standard approval procedure for the Variance. Each Variance from a NERC Reliability Standard that is approved by NERC and Applicable Governmental Authorities shall be made an enforceable part of the associated NERC Reliability Standard.

NERC's drafting teams shall aim to develop Reliability Standards with Requirements that apply on a continent-wide basis, minimizing the need for Variances while still achieving the Reliability Standard's reliability objectives. If one or more Requirements cannot be met or complied with as written because of a physical difference in the Bulk Power System or because of an operational difference (such as a conflict with a federally or provincially approved tariff), but the Requirement's reliability objective can be achieved in a different fashion, an entity or a group of entities may pursue a Variance from one or more Requirements in a continent-wide Reliability Standard. It is the responsibility of the entity that needs a Variance to identify that need and initiate the processing of that Variance through the submittal of a SAR<sup>34</sup> that includes a clear definition of the basis for the Variance.

There are two types of Variances – those that apply on an Interconnection-wide basis, and those that apply to one or more entities on less than an Interconnection-wide basis.

### 9.1: Interconnection-wide Variances

Any Variance from a NERC Reliability Standard Requirement that is proposed to apply to Registered Entities within a Regional Entity organized on an Interconnection-wide basis shall be considered an Interconnection-wide Variance and shall be developed through that Regional Entity's NERC-approved Regional Reliability Standards development procedure.

Where a Regional Entity is not organized on an Interconnection-wide basis, but a Variance is proposed to apply to Registered Entities within an Interconnection wholly contained in that Regional Entity's footprint, the Variance may be developed through that Regional Entity's NERC-approved Regional Reliability Standards development procedure.

While an Interconnection-wide Variance may be developed through the associated Regional Reliability Standards development process, Regional Entities are encouraged to work collaboratively with existing continent-wide drafting teams to reduce potential conflicts between the two efforts.

An Interconnection-wide 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 associated NERC Reliability Standard. NERC shall rebuttably presume that an Interconnection-wide Variance from a NERC Reliability Standard that is developed, in accordance with a Regional Reliability Standards development 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.

### 9.2: Variances that Apply on Less than an Interconnection-wide Basis

Any Variance from a NERC Reliability Standard Requirement that is proposed to apply to one or more entities but less than an entire Interconnection (*e.g.*, 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 considered a Variance. A Variance may be requested while a Reliability Standard is under development or a Variance may be requested at any time after a Reliability Standard is approved. Each request for a Variance shall be initiated through a SAR, and processed and

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<sup>34</sup> A sample of a SAR that identifies the need for a Variance and a sample Variance are posted as resources on the Reliability Standards Resources web page.

approved in the same manner as a continent-wide Reliability Standard, using the Reliability Standards development process defined in this manual.

## Section 10.0: Processes for Developing a Reliability Standard Related to a Confidential Issue

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While it is NERC's intent to use its ANSI-accredited Reliability Standards development process for developing its Reliability Standards, NERC has an obligation as the ERO to ensure that there are Reliability Standards in place to preserve the reliability of the interconnected Bulk Power Systems throughout North America. When faced with a national security emergency situation, NERC may use one of the following special processes to develop a Reliability Standard that addresses an issue that is confidential. Reliability Standards developed using one of the following processes shall be called, "special Reliability Standards" and shall not be filed with ANSI for approval as American National Standards.

The NERC Board of Trustees may direct the development of a new or revised Reliability Standard to address a national security situation that involves confidential issues. These situations may involve imminent or long-term threats. In general, these Board directives will be driven by information from the President of the United States of America or the Prime Minister of Canada or a national security agency or national intelligence agency of either or both governments indicating (to the ERO) that there is a national security threat to the reliability of the Bulk Power System.<sup>35</sup>

There are two special processes for developing Reliability Standards responsive to confidential issues – one process where the confidential issue is "imminent," and one process where the confidential issue is "not imminent."

### 10.1: Process for Developing Reliability Standards Responsive to Imminent, Confidential Issues

If the NERC Board of Trustees directs the immediate development of a new or revised Reliability Standard to address a confidential national security emergency situation, the NERC Reliability Standards Staff shall develop a SAR, form a ballot pool (to vote on the Reliability Standard and its implementation plan) and assemble a slate of pre-defined subject matter experts as a proposed drafting team for approval by the Standards Committee's officers. All members of the Registered Ballot Body shall have the opportunity to join the ballot pool.

### 10.2: Drafting Team Selection

The Reliability Standard drafting team selection process shall be limited to just those candidates who have already been identified as having the appropriate security clearance, the requisite technical expertise, and either have signed or are willing to sign a strict confidentiality agreement.

### 10.3: Work of Drafting Team

The Reliability Standard drafting team shall perform all its work under strict security and confidentiality rules. The Reliability Standard drafting team shall develop the new or revised Reliability Standard and its implementation plan.

The Reliability Standard drafting team shall review its work, to the extent practical, as it is being developed with officials from the appropriate governmental agencies in the U.S. and Canada, under strict security and confidentiality rules.

### 10.4: Formal Stakeholder Comment & Ballot Window

The draft Reliability Standard and its implementation plan shall be distributed for a formal comment period, under strict confidentiality rules, only to those entities that are listed in the NERC Compliance Registry to perform one of the functions identified in the applicability section of the Reliability Standard and have identified individuals from

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<sup>35</sup> The NERC Board may direct the immediate development and issuance of a Level 3 (Essential Action) alert and then may also direct the immediate development of a new or revised Reliability Standard.



their organizations that have signed confidentiality agreements with NERC.<sup>36</sup> At the same time, the Reliability Standard shall be distributed to the members of the ballot pool for review and ballot. The NERC Reliability Standards Staff shall not post or provide the ballot pool with any confidential background information.

The drafting team, working with the NERC Reliability Standards Staff, shall consider and respond to all comments, make any necessary conforming changes to the Reliability Standard and its implementation plan, and shall distribute the comments, responses and any revision to the same population as received the initial set of documents for formal comment and ballot.

### **10.5: Board of Trustee Actions**

Each Reliability Standard and implementation plan developed through this process shall be submitted to the NERC Board of Trustees for adoption.

### **10.6: Governmental Approvals**

All approved documents shall be filed for approval with Applicable Governmental Authorities.

### **10.7: Developing a Reliability Standard Responsive to an Imminent, Confidential Issue**

[The following flowchart illustrates the process for developing a Reliability Standard responsive to an imminent, confidential issue:](#)

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<sup>36</sup> In this phase of the process, only the proposed Reliability Standard shall be distributed to those entities expected to comply, not the rationale and justification for the Reliability Standard. Only the special drafting team members, who have the appropriate security credentials, shall have access to this rationale and justification.

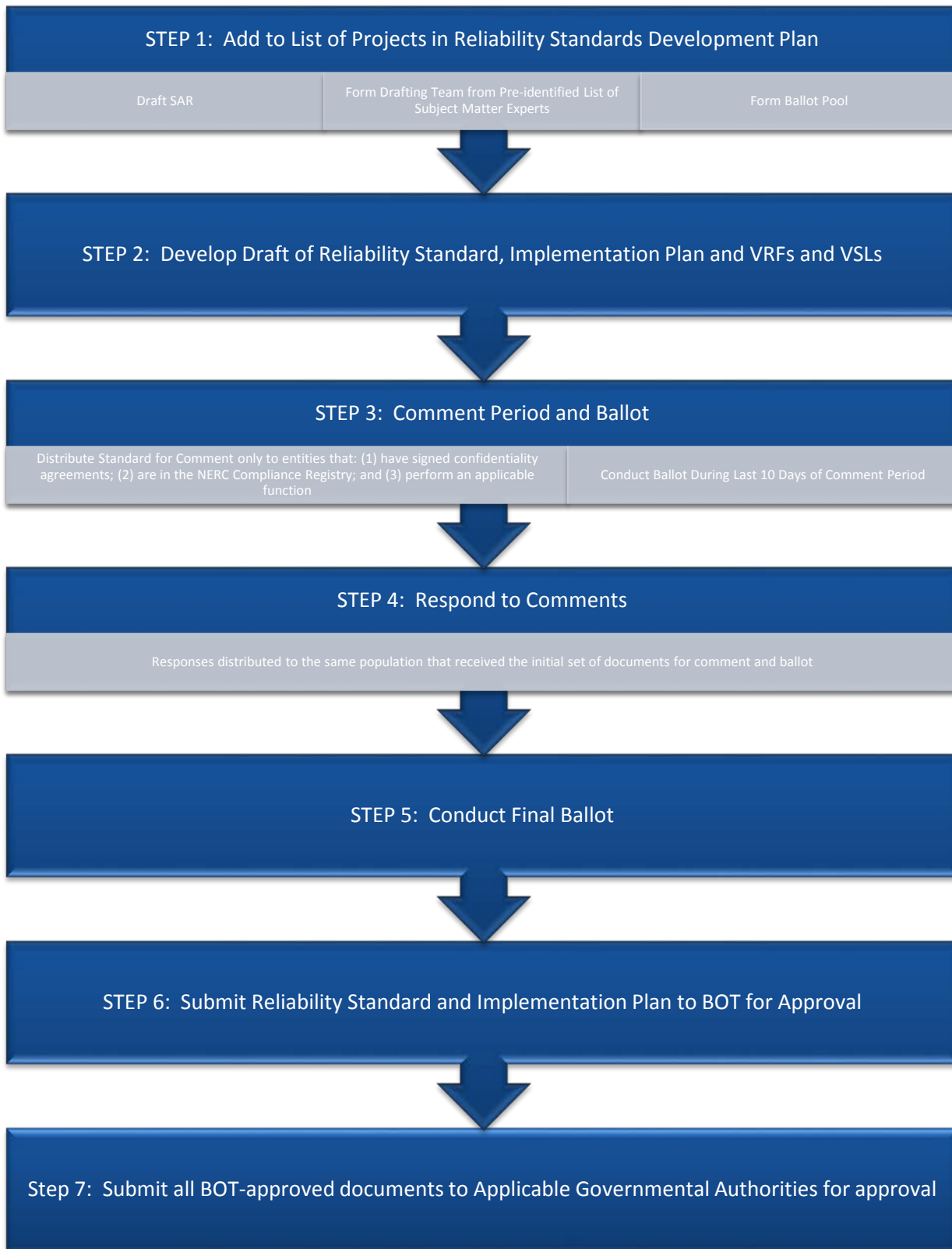


FIGURE 3: Process for Developing a Standard Responsive to an Imminent, Confidential Issue

## **10.8: Process for Developing Reliability Standards Responsive to Non-imminent, Confidential Issues**

If the NERC Board of Trustees directs the immediate development of a new or revised Reliability Standard to address a confidential national security emergency situation, the NERC Reliability Standards Staff shall develop a SAR, form a ballot pool (to vote on the Reliability Standard and its implementation plan) and assemble a slate of pre-defined subject matter experts as a proposed drafting team for approval by the Standards Committee's officers. All members of the Registered Ballot Body shall have the opportunity to join the ballot pool.

## **10.9: Drafting Team Selection**

The drafting team selection process shall be limited to just those candidates who have already been identified as having the appropriate security clearance, the requisite technical expertise, and either have signed or are willing to sign a strict confidentiality agreement.

## **10.10: Work of Drafting Team**

The drafting team shall perform all its work under strict security and confidentiality rules. The Reliability Standard drafting team shall develop the new or revised Reliability Standard and its implementation plan.

The drafting team shall review its work, to the extent practical, as it is being developed with officials from the Applicable Governmental Authorities, under strict security and confidentiality rules.

## **10.11: Formal Stakeholder Comment & Ballot Window**

The draft Reliability Standard and its implementation plan shall be distributed for a formal comment period, under strict confidentiality rules, only to those entities that are listed in the NERC Compliance Registry to perform one of the functions identified in the applicability section of the Reliability Standard and have identified individuals from their organizations that have signed confidentiality agreements with NERC.<sup>37</sup> At the same time, the Reliability Standard shall be distributed to the members of the ballot pool for review and ballot. The NERC Reliability Standards Staff shall not post or provide the ballot pool with any confidential background information.

## **10.12: Revisions to Reliability Standard, Implementation Plan and VRFs and VSLs**

The drafting team, working with the NERC Reliability Standards Staff, shall work to refine the Reliability Standard, implementation plan and VRFs and VSLs in the same manner as for a new Reliability Standard following the "normal" Reliability Standards development process described earlier in this manual with the exception that distribution of the comments, responses, and new drafts shall be limited to those entities that are in the ballot pool and those entities that are listed in the NERC Compliance Registry to perform one of the functions identified in the applicability section of the Reliability Standard and have identified individuals from their organizations that have signed confidentiality agreements with NERC.

## **10.13: Board of Trustee Action**

Each Reliability Standard, implementation plan, and the associated VRFs and VSLs developed through this process shall be submitted to the NERC Board of Trustees for adoption.

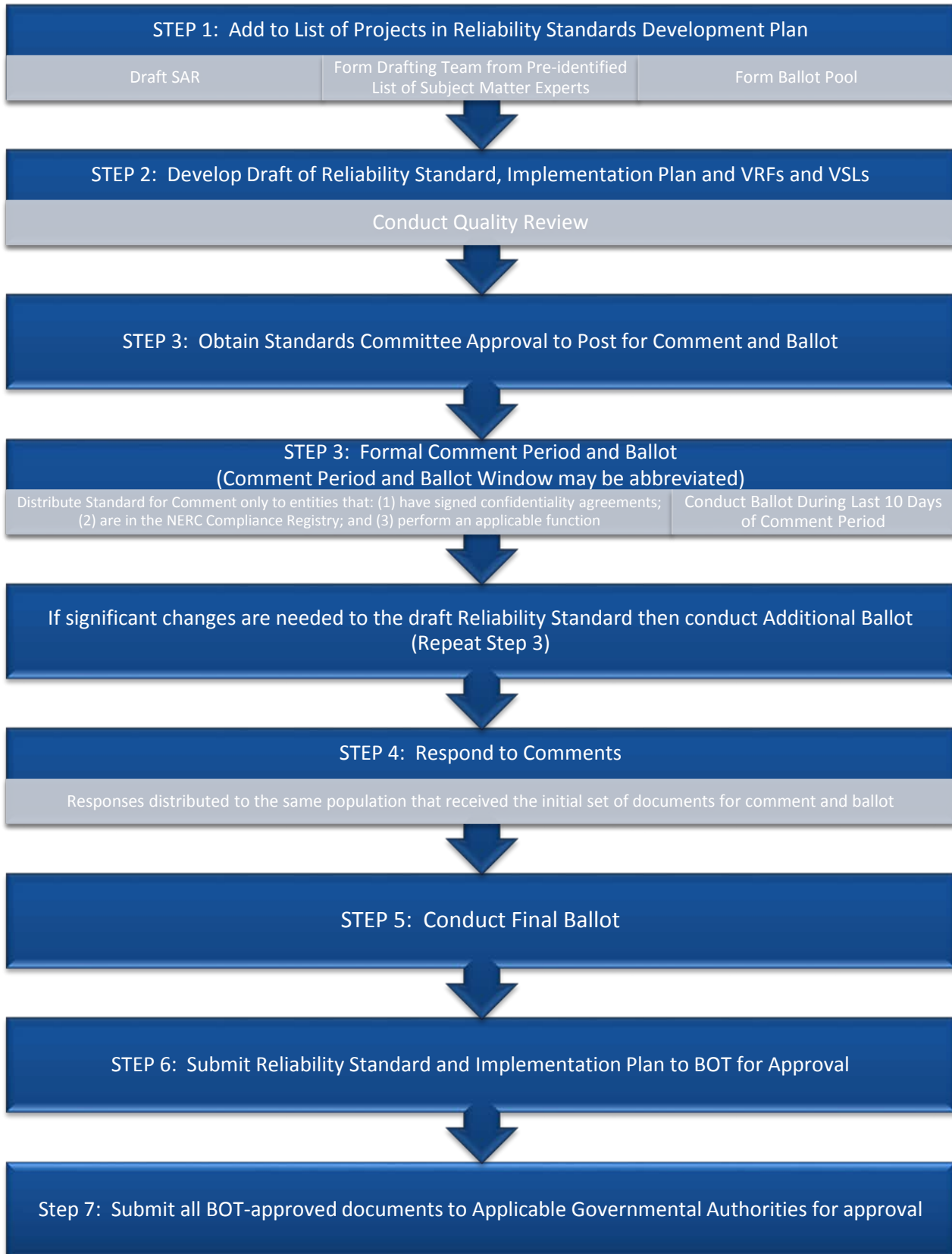
## **10.14: Governmental Approvals**

All BOT-approved documents shall be filed for approval with Applicable Governmental Authorities.

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<sup>37</sup> In this phase of the process, only the proposed Reliability Standard shall be distributed to those entities expected to comply, not the rationale and justification for the Reliability Standard. Only the special drafting team members, who have the appropriate security credentials, shall have access to this rationale and justification.

**Developing a Reliability Standard Responsive to a Non-imminent, Confidential Issue**



**FIGURE 4: Developing a Standard Responsive to a Non-Imminent, Confidential Issue**

## Section 11.0: Process for Approving Posting Supporting Technical Documents Alongside an Approved Reliability Standard

The NERC Standards Committee oversees the development and approval of technical documents identified as supporting documents to Reliability Standards approved by the Applicable Governmental Authority. The following types of documents are samples of the types of supporting documents that may be developed to enhance stakeholder understanding and implementation of a Reliability Standard. These Supporting technical documents may explain or facilitate implementation understanding of Reliability Standards but do not themselves contain mandatory Requirements subject to compliance review. Any mandatory Requirements ~~that are mandatory~~ shall be incorporated into the Reliability Standard in the Reliability Standard development process. Documents that contain specific compliance approaches or examples are not considered supporting technical documents under this Section.

~~While most supporting documents are developed by the standard drafting team working to develop the associated Reliability Standard, any entity may develop a supporting document associated with a Reliability Standard. This Section provides the process by which any individual or entity may propose a supporting technical document to an approved Reliability Standard. The process outlined in this section is designed so each supporting document receives stakeholder review to verify the accuracy of the technical content prior to being posted as a supporting technical document to an approved Reliability Standard.~~

~~During the standard development process, standard drafting teams may develop and post supporting technical documents to the pertinent project page, in accordance with Section 4.0. Following approval of the Reliability Standard, those documents may be posted alongside an approved Reliability Standard the standard without requiring separate Standards Committee authorization under this Section.~~

~~The Standards Committee shall authorize the posting of all supporting references<sup>38</sup> that are linked to an approved Reliability Standard. Prior to granting approval to post a supporting reference with a link to the associated Reliability Standard, the Standards Committee shall verify The process outlined in this section is designed so each that the supporting document has had receives stakeholder review to verify the accuracy of the technical content prior to being posted as a supporting technical document to an approved Reliability Standard. While the Standards Committee has the authority to approve the posting of each such reference, stakeholders, not the Standards Committee, verify the accuracy of the document's contents.~~

### 11.1: Types of Supporting Technical Documents

The types of supporting technical documents that may be approved for posting alongside an approved Reliability Standard under this Section are listed below.

Type of Document	Description
Reference	Descriptive, technical information, analysis or explanatory information to support the understanding <del>and interpretation</del> of an <u>approved</u> Reliability Standard. <del>A standard reference may support the implementation of a Reliability Standard or satisfy another purpose consistent with the reliability and market interface principles.</del>

<sup>38</sup> The Standards Committee's Procedure for Approving the Posting of Reference Documents is posted on the Reliability Standards Resources web page.

Guideline	<del>Recommended process that identifies a method of meeting a Requirement under specific conditions.</del>
Supplement	<del>Data forms, pro forma documents, and associated instructions that support the implementation of a Reliability Standard.</del>
Training Material	<del>Documents that support the implementation of a Reliability Standard.</del>
Procedure	<del>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.</del>
Lessons Learned	<del>Documents designed to convey lessons learned related to an approved Reliability Standard. A Lessons Learned document cannot establish new Requirements or modify Requirements in any existing Reliability Standard.</del>
White Paper	<del>An informal paper stating a position or concept. A white paper may <u>have been</u> used to propose preliminary concepts for a Reliability Standard or <u>one of the documents above</u> a Reference document.</del>

~~Documents that contain specific compliance approaches or examples are not considered supporting technical documents under this Section.~~

## 11.2: Process for Proposing and Evaluating Supporting Technical Documents

~~Proposals for supporting technical documents to approved Reliability Standards shall be submitted to the NERC Reliability Standards Staff.~~

~~NERC Staff shall conduct a review of the proposed supporting technical document. In performing this review, NERC Staff may consult any technical resources it deems appropriate. The purpose of this review is to determine whether the proposed supporting technical document meets the following criteria:~~

- ~~1. the document is a type of supporting technical document subject to this Section, as described in Section 11.1;~~
- ~~1-2. the document is consistent with the purpose and intent of the associated Reliability Standard; and~~
- ~~2. the document has received adequate stakeholder review to assess its technical adequacy, such as through a NERC technical committee review process, public comment period(s) held during the development of the associated Reliability Standard, or other stakeholder review process.~~
- 3.

~~If NERC Staff determines that the proposed supporting technical document meets all three criteria specified above, NERC Staff shall submit the proposed supporting technical document to the Standards Committee as specified in Section 11.3 below.~~

~~If NERC Staff determines that the proposed supporting technical document does not meet the first or second criterion specified above, NERC Staff shall notify the submitter, in writing, that the document will not be forwarded to the Standards Committee for consideration to be posted as a supporting technical document under this Section. This~~

notification shall include an explanation of the basis for the decision. NERC Staff shall also notify the Standards Committee of its determination at the next regularly-scheduled Standards Committee meeting.

If NERC Staff determines that the proposed supporting technical document meets the first and second criteria, but has not yet received adequate stakeholder review under the third criterion, NERC Staff shall make a recommendation to the Standards Committee to authorize posting the proposed supporting technical document for stakeholder review to verify the accuracy of the technical content. This initial comment period shall be for 45 days, unless the Standards Committee directs otherwise. Upon conclusion of the comment period, NERC Staff shall compile the comments and provide them to the submitter for consideration. If the submitter modifies the proposed supporting technical document based on stakeholder comments, NERC Staff may post the document for additional comment periods to provide for sufficient technical review.

### **11.3: Approving a Supporting Technical Document**

After determining that the proposed supporting technical document meets the three criteria specified in Section 11.2, NERC Staff shall present the supporting technical document to the NERC Standards Committee with a recommendation regarding whether the Standards Committee should approve posting the supporting technical document with the approved Reliability Standard on the pertinent NERC website page(s).

## Section 12.0: Process for Correcting Errata

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From time to time, an error may be discovered in a Reliability Standard. Such errors may be corrected (i) following a Final Ballot prior to Board of Trustees adoption, (ii) following Board of Trustees adoption prior to filing with Applicable Governmental Authorities; and (iii) following filing with Applicable Governmental Authorities. If the Standards Committee agrees that the correction of the error does not change the scope or intent of the associated Reliability Standard, and agrees that the correction has no material impact on the end users of the Reliability Standard, then the correction shall be filed for approval with Applicable Governmental Authorities as appropriate. The NERC Board of Trustees has resolved to concurrently approve any errata approved by the Standards Committee.



## Section 13.0: Process for Conducting Periodic Reviews of Reliability Standards

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All Reliability Standards shall be reviewed at least once every ten years from the effective date of the Reliability Standard or the date of the latest Board of Trustees adoption to a revision of the Reliability Standard, whichever is later. If a Reliability Standard is approved by ANSI as an American National Standard, it shall be reviewed at least once every five years from the effective date of the Reliability Standard or the date of the latest Board of Trustees adoption to a revision of the Reliability Standard, whichever is later.

The *Reliability Standards Development Plan* shall include projects that address this five or ten-year review of Reliability Standards.

- If a Reliability Standard is nearing its five or ten-year review and has issues that need resolution, then the *Reliability Standards Development Plan* shall include a project for the complete review and associated revision of that Reliability Standard that includes addressing all outstanding governmental directives, all approved Interpretations, and all unresolved issues identified by stakeholders.
- If a Reliability Standard is nearing its five or ten-year review and there are no outstanding governmental directives, Interpretations, or unresolved stakeholder issues associated with that Reliability Standard, then the *Reliability Standards Development Plan* shall include a project solely for the ~~“five-year periodic review”~~ of that Reliability Standard.

For a project that is focused solely on the ~~five-year periodic~~ review, the Standards Committee shall appoint a review team of subject matter experts to review the Reliability Standard and recommend whether the ~~American National Standard Institute-approved~~ Reliability Standard should be reaffirmed, revised, or withdrawn. Each review team shall post its recommendations for a ~~45-calendar~~ day formal stakeholder comment period and shall provide those stakeholder comments to the Standards Committee for consideration.

- If a review team recommends reaffirming a Reliability Standard, the Standards Committee shall submit the reaffirmation to the Board of Trustees for adoption and then to Applicable Governmental Authorities for approval. Reaffirmation does not require approval by stakeholder ballot.
- If a review team recommends modifying, or retiring a Reliability Standard, the team shall develop a SAR with such a proposal and the SAR shall be submitted to the Standards Committee for prioritization as a new project. Each existing Reliability Standard recommended for modification, or retirement shall remain in effect in accordance with the associated implementation plan until the action to modify or withdraw the Reliability Standard is approved by its ballot pool, adopted by the Board of Trustees, and approved by Applicable Governmental Authorities.

In the case of reaffirmation of a Reliability Standard, the Reliability Standard shall remain in effect until the next five or ten-year review or until the Reliability Standard is otherwise modified or withdrawn by a separate action.

## Section 14.0: Public Access to Reliability Standards Information

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### 14.1: Online Reliability Standards Information System

The NERC Reliability Standards Staff shall maintain an electronic copy of information regarding currently proposed and currently in effect Reliability Standards. This information shall include current Reliability Standards in effect, proposed revisions to Reliability Standards, and proposed new Reliability 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.

### 14.2: Archived Reliability Standards Information

The NERC Staff shall maintain a historical record of Reliability Standards information that is no longer maintained online. 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 Reliability Standard was no longer in effect. Archived records of Reliability Standards information shall be available electronically within 30 days following the receipt by the NERC Reliability Standards Staff of a written request.

## Section 15.0: Process for Updating Standard Processes

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### 15.1: Requests to Revise the Standard Processes Manual

Any person or entity may submit a request to modify one or more of the processes contained within this manual. The Standards Committee shall oversee the handling of each request. The Standards Committee shall prioritize all requests, merge related requests, and respond to each sponsor within 30 ~~calendar~~ days.

The Standards Committee shall post the proposed revisions for a 45-~~(calendar)~~ day formal comment period. Based on the degree of consensus for the revisions, the Standards Committee shall:

- Submit the revised process or processes for ballot pool approval;
- Repeat the posting for additional inputs after making changes based on comments received;
- Remand the proposal to the sponsor for further work; or
- 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 Reliability Standard, including the use of an Additional 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 submit to the Board a description of the basis for the changes, a summary of the comments received, and any minority views expressed in the comment and ballot process. The proposed revisions shall not be effective until approved by the NERC Board of Trustees and Applicable Governmental Authorities.

## Section 16.0: Waiver

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While it is NERC's intent to use its ANSI-accredited Reliability Standards development process for developing its Reliability Standards, NERC may need to develop a new or modified Reliability Standard, definition, Variance, ~~Interpretation~~, or implementation plan under specific time constraints (such as to meet a time constrained regulatory directive) or to meet an urgent reliability issue such that there isn't sufficient time to follow all the steps in the normal Reliability Standards development process.

The Standards Committee may waive any of the provisions contained in this manual for good cause shown, but limited to the following circumstances:

- In response to a national emergency declared by the United States or Canadian government that involves the reliability of the Bulk Electric System or cyber attack on the Bulk Electric System;
- Where necessary to meet regulatory deadlines;
- Where necessary to meet deadlines imposed by the NERC Board of Trustees; or
- Where the Standards Committee determines that a modification to a proposed Reliability Standard or its Requirement(s), a modification to a defined term, a modification to an ~~interpretation~~Interpretation, or a modification to a ~~variance~~Variance has already been vetted by the industry through the standards development process or is so insubstantial that developing the modification through the processes contained in this manual will add significant time delay.

In no circumstances shall this provision be used to modify the requirements for achieving quorum or the voting requirements for approval of a standard.

A waiver request may be submitted to the Standards Committee by any entity or individual, including NERC committees or subgroups and NERC Staff. Prior to consideration of any waiver request, the Standards Committee must provide five business days' notice to stakeholders.

Action on the waiver request will be included in the minutes of the Standards Committee. ~~Following the approval of the Standards Committee to waive any provision of the Standard Process Manual, the Standards Committee will report this decision to the Standards Oversight and Technology Committee.~~<sup>29</sup> Actions taken pursuant to an approved waiver request will be posted on the Standard Project page and included in the next project announcement.

In addition, the Standards Committee shall report the exercise of this waiver provision to the Board of Trustees prior to adoption of the related Reliability Standard, Interpretation, definition or Variance.

Reliability Standards developed as a result of a waiver of any provision of the Standard Processes Manual shall not be filed with ANSI for approval as American National Standards.

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~~<sup>29</sup> Any entity may appeal a waiver decision or any other procedural decision by the Standards Committee pursuant to Section 8.0 of the NERC Standard Processes Manual.~~

**NERC**

NORTH AMERICAN ELECTRIC  
RELIABILITY CORPORATION

# Standard Processes Manual

VERSION 4

Effective TBD

**RELIABILITY | ACCOUNTABILITY**



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## Section 1.0: Introduction

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### 1.1: Authority

This manual is published by the authority of the North American Electric Reliability Corporation (“NERC”) Board of Trustees and has been incorporated into the NERC Rules of Procedure as Appendix 3A. It provides implementation detail in support of the NERC Rules of Procedure Section 300 — Reliability Standards Development.

Capitalized terms not otherwise defined herein shall have the meaning set forth in the Definitions Used in the Rules of Procedure, Appendix 2 to the Rules of Procedure. Unless otherwise specified, any period of time that is counted in days shall refer to calendar days.

### 1.2: Scope

The policies and procedures in this manual shall govern the activities of NERC related to the development, approval, revision, reaffirmation, and withdrawal of Reliability Standards, Interpretations, Violation Risk Factors (“VRFs”), Violation Severity Levels (“VSLs”), definitions, Variances, and reference documents developed to support standards for the Reliable Operation and planning of the North American Bulk Power Systems.

This manual also addresses the role of the Standards Committee, drafting teams, and the ballot body in the development and approval of Compliance Elements in conjunction with standard development.

### 1.3: Background

NERC is a nonprofit corporation formed for the purpose of becoming the North American ERO. NERC works with all stakeholder segments of the electric industry, including electricity users, to develop Reliability Standards for the reliability planning and Reliable Operation of the North American Bulk Power Systems. 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 Reliability Standards mandatory for all Bulk Power System owners, operators, and users. Similar authorities are provided by Applicable Governmental Authorities in Canada. The United States Federal Energy Regulatory Commission (“FERC”) certified NERC as the ERO effective July 2006. *North American Electric Reliability Corp.*, 116 FERC ¶ 61,062, *order on reh’g and compliance*, 117 FERC ¶ 61,126 (2006), *order on compliance*, 118 FERC ¶ 61,030 (2007).

### 1.4: Essential Attributes of NERC’s Reliability Standards Processes

NERC’s Reliability Standards development processes provide reasonable notice and opportunity for public comment, due process, openness, and balance of interests in developing a proposed Reliability Standard consistent with the attributes necessary for American National Standards Institute (“ANSI”) accreditation. The same attributes, as well as transparency, consensus-building, and timeliness, are also required under the ERO Rules of Procedure Section 304.

- **Open Participation**

Participation in NERC’s Reliability Standards development balloting and approval processes shall be open to all entities materially affected by NERC’s Reliability Standards. There shall be no financial barriers to participation in NERC’s Reliability Standards balloting and approval processes. Membership in the Registered Ballot Body shall not be conditional upon membership in any organization, nor unreasonably restricted on the basis of technical qualifications or other such requirements.

- **Balance**

NERC's Reliability Standards development processes shall not be dominated by any two interest categories, individuals, or organizations and no single interest category, individual, or organization is able to defeat a matter.

NERC shall use a voting formula that allocates each industry Segment an equal weight in determining the final outcome of any Reliability Standard action. The Reliability Standards development processes shall have a balance of interests. Participants from diverse interest categories shall be encouraged to join the Registered Ballot Body and participate in the balloting process, with a goal of achieving balance between the interest categories. The Registered Ballot Body serves as the consensus body voting to approve each new or proposed Reliability Standard, definition, Variance, and Interpretation.

- **Coordination and harmonization with other American National Standards activities**

NERC is committed to resolving any potential conflicts between its Reliability Standards development efforts and existing American National Standards and candidate American National Standards.

- **Notification of standards development**

NERC shall publicly distribute a notice to each member of the Registered Ballot Body, and to each stakeholder who indicates a desire to receive such notices, for each action to create, revise, reaffirm, or withdraw a Reliability Standard, definition, or Variance; and for each proposed Interpretation. Notices shall be distributed electronically, with links to the relevant information, and notices shall be posted on NERC's Reliability Standards web page. All notices shall identify a readily available source for further information.

- **Transparency**

The process shall be transparent to the public.

- **Consideration of views and objections**

Drafting teams shall give prompt consideration to the written views and objections of all participants as set forth herein. Drafting teams shall make an effort to resolve each objection that is related to the topic under review.

- **Consensus Building**

The process shall build and document consensus for each Reliability Standard, both with regard to the need and justification for the Reliability Standard and the content of the Reliability Standard.

- **Consensus vote**

NERC shall use its voting process to determine if there is sufficient consensus to approve a proposed Reliability Standard, definition, Variance, or Interpretation. NERC shall form a ballot pool for each Reliability Standard action from interested members of its Registered Ballot Body. Approval of any Reliability Standard action requires:

- A quorum, which is established by at least 75% of the members of the ballot pool submitting a response excluding unreturned ballots; and
- A two-thirds majority of the weighted Segment votes cast shall be affirmative. The number of votes cast during all stages of balloting except the final ballot is the sum of affirmative and negative votes with comments, excluding abstentions, non-responses, and negative votes without comments. During the final ballot, the number of votes cast is the sum of affirmative and negative votes, excluding abstentions and non-responses.



- ***Timeliness***

Development of Reliability Standards shall be timely and responsive to new and changing priorities for reliability of the Bulk Power System.

- ***Metric Policy***

The International System of units is the preferred units of measurement in NERC Reliability Standards. However, because NERC's Reliability Standards apply in Canada, the United States and portions of Mexico, where applicable, measures are provided in both the metric and English units.

## **1.5: Ethical Participation**

All participants in the NERC Standard development process, including drafting teams, quality reviewers, Standards Committee members and members of the Registered Ballot Body, are obligated to act in an ethical manner in the exercise of all activities conducted pursuant to the terms and conditions of the Standard Processes Manual and the standard development process.

## Section 2.0: Elements of a Reliability Standard

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### 2.1: Definition of a Reliability Standard

A Reliability Standard includes a set of Requirements that define specific obligations of owners, operators, and users of the North American Bulk Power Systems. The Requirements shall be material to reliability and measurable. A Reliability Standard is defined as follows:

“Reliability Standard” means a requirement, approved by the United States Federal Energy Regulatory Commission under Section 215 of the Federal Power Act, or approved or recognized by an applicable governmental authority in other jurisdictions, to provide for Reliable Operation of the Bulk Power System. The term includes requirements for the operation of existing Bulk Power System facilities, including cybersecurity protection, and the design of planned additions or modifications to such facilities to the extent necessary for Reliable Operation of the Bulk Power System, but the term does not include any requirement to enlarge such facilities or to construct new transmission capacity or generation capacity. (In certain contexts, this term may also refer to a “Reliability Standard” that is in the process of being developed, or not yet approved or recognized by FERC or an applicable governmental authority in other jurisdictions).<sup>1</sup>

### 2.2: Reliability Principles

NERC Reliability Standards are based on certain reliability principles that define the foundation of reliability for North American Bulk Power Systems.<sup>2</sup> Each Reliability Standard shall enable or support one or more of the reliability principles, thereby ensuring that each Reliability 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 Reliability Standard undermines reliability through an unintended consequence.

### 2.3: Market 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.<sup>3</sup> 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.

### 2.4: Types of Reliability Requirements

Generally, each Requirement of a Reliability Standard shall identify what Functional Entities shall do, and under what conditions, to achieve a specific reliability objective. Although Reliability Standards all follow this format, several types of Requirements may exist, each with a different approach to measurement.

- **Performance-based Requirements** define a specific reliability objective or outcome achieved by one or more entities that has a direct, observable effect on the reliability of the Bulk Power System, i.e. an effect that can be measured using power system data or trends. In its simplest form, a performance-based requirement has four components: who, under what conditions (if any), shall perform what action, to achieve what particular result or outcome.

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<sup>1</sup> See Appendix 2 to the NERC Rules of Procedure, Definitions Used in the Rules of Procedure.

<sup>2</sup> The intent of the set of NERC Reliability Standards is to deliver an adequate level of reliability. The latest set of reliability principles and the latest set of characteristics associated with an adequate level of reliability are posted on the Reliability Standards Resources web page.

<sup>3</sup> The latest set of market interface principles is posted on the Reliability Standards Resources web page.

- **Risk-based Requirements** define actions by one or more entities that reduce a stated risk to the reliability of the Bulk Power System and can be measured by evaluating a particular product or outcome resulting from the required actions. A risk-based reliability requirement should be framed as: who, under what conditions (if any), shall perform what action, to achieve what particular result or outcome that reduces a stated risk to the reliability of the Bulk Power System.
- **Capability-based Requirements** define capabilities needed by one or more entities to perform reliability functions and can be measured by demonstrating that the capability exists as required. A capability-based reliability requirement should be framed as: *who, under what conditions (if any), shall have what capability, to achieve what particular result or outcome to perform an action to achieve a result or outcome or to reduce a risk to the reliability of the Bulk Power System.*

The body of reliability Requirements collectively provides a defense-in-depth strategy supporting reliability of the Bulk Power System.

## 2.5: Elements of a Reliability Standard

A Reliability Standard includes several components designed to work collectively to identify what entities must do to meet their reliability-related obligations as an owner, operator or user of the Bulk Power System.

The components of a Reliability Standard may include the following:

**Title:** A brief, descriptive phrase identifying the topic of the Reliability Standard.

**Number:** A unique identification number assigned in accordance with a published classification system to facilitate tracking and reference to the Reliability Standards.<sup>4</sup>

**Purpose:** The reliability outcome achieved through compliance with the Requirements of the Reliability Standard.

**Applicability:** Identifies the specific Functional Entities and Facilities to which the Reliability Standard applies.

**Effective Dates:** Identification of the date or pre-conditions determining when each Requirement becomes effective in each jurisdiction.

**Requirement:** An explicit statement that identifies the Functional Entity responsible, the action or outcome that must be achieved, any conditions achieving the action or outcome, and the reliability-related benefit of the action or outcome. Each Requirement shall be a statement for which compliance is mandatory.

**Compliance Elements:** Elements to aid in the administration of ERO compliance monitoring and enforcement responsibilities.<sup>5</sup>

- **Measure:** Provides identification of the evidence or types of evidence that may demonstrate compliance with the associated requirement.
- **Violation Risk Factors and Violation Severity Levels:** Violation risk factors (VRFs) and violation severity levels (VSLs) are used as factors when determining the size of a penalty or sanction associated with the

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<sup>4</sup> Reliability Standards shall be numbered in accordance with the NERC Standards Numbering Convention as provided on the Reliability Standards Resources web page.

<sup>5</sup> It is the responsibility of the ERO ~~staff~~Staff to develop compliance tools for each standard; these tools are not part of the standard but are referenced in this manual because the preferred approach to developing these tools is to use a transparent process that leverages the technical and practical expertise of the drafting team and ballot pool.

violation of a requirement in an approved Reliability Standard.<sup>6</sup> Each requirement in each Reliability Standard has an associated VRF and a set of VSLs. VRFs and VSLs are developed by the drafting team, working with NERC Staff, at the same time as the associated Reliability Standard, but are not part of the Reliability Standard. The Board of Trustees is responsible for approving VRFs and VSLs.

- **Violation Risk Factors**

VRFs identify the potential reliability significance of noncompliance with each requirement. Each requirement is assigned a VRF in accordance with the latest approved set of VRF criteria.<sup>7</sup>

- **Violation Severity Levels**

VSLs define the degree to which compliance with a requirement was not achieved. Each requirement shall have at least one VSL. While it is preferable to have four VSLs for each requirement, some requirements do not have multiple “degrees” of noncompliant performance and may have only one, two, or three VSLs. Each requirement is assigned one or more VSLs in accordance with the latest approved set of VSL criteria.<sup>8</sup>

**Version History:** The version history is provided for informational purposes and lists information regarding prior versions of Reliability Standards.

**Variance:** A Requirement (to be applied in the place of the continent-wide Requirement) that is applicable to a specific geographic area or to a specific set of Registered Entities.

**Compliance Enforcement Authority:** The entity that is responsible for assessing performance or outcomes to determine if an entity is compliant with the associated Reliability Standard. The Compliance Enforcement Authority will be NERC or the Regional Entity in their respective roles of monitoring and enforcing compliance with the NERC Reliability Standards.

The only mandatory and enforceable components of a Reliability Standard are the: (1) applicability, (2) Requirements, and the (3) effective dates. The additional components are included in the Reliability Standard for informational purposes and to provide guidance to Functional Entities concerning how compliance will be assessed by the Compliance Enforcement Authority.

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<sup>6</sup> The *Sanction Guidelines of the North American Electric Reliability Corporation* identifies the factors used to determine a penalty or sanction for violation of a Reliability Standard and is posted on the NERC web site.

<sup>7</sup> The latest set of approved VRF Criteria is posted on the Reliability Standards Resources web page.

<sup>8</sup> The latest set of approved VSL Criteria is posted on the Reliability Standards Resources web page.

## Section 3.0: Reliability Standards Program Organization

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### 3.1: Board of Trustees

The NERC Board of Trustees shall consider for adoption Reliability Standards, definitions, Variances and Interpretations and associated implementation plans that have been developed according to this manual. Once the Board adopts a Reliability Standard, definition, Variance or Interpretation, the Board shall direct NERC Staff to file the document(s) for approval with Applicable Governmental Authorities.

### 3.2: Registered Ballot Body

The Registered Ballot Body comprises all entities or individuals that qualify for one of the Segments approved by the Board of Trustees<sup>9</sup>, and are registered with NERC as potential ballot participants in the voting on Reliability Standards. Each member of the Registered Ballot Body is eligible to join the ballot pool for each Reliability Standard action.

### 3.3: Ballot Pool

Each Reliability 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 request to participate in that particular Reliability Standard action. The ballot pool votes on each Reliability Standards action. The ballot pool remains in place until all balloting related to that Reliability Standard action has been completed.

### 3.4: Standards Committee

The Standards Committee serves at the pleasure and direction of the NERC Board of Trustees, and the Board approves the Standards Committee's Charter.<sup>10</sup> The composition of the Standards Committee and the election of its members is set forth in Appendix 3B to the NERC Rules of Procedure, *Procedures for Election of Members of the Standards Committee*.

The Standards Committee is responsible for managing the Reliability Standards processes for development of Reliability Standards, definitions, Variances and Interpretations in accordance with this manual. The responsibilities of the Standards Committee are defined in detail in the Standards Committee's Charter. The Standards Committee is responsible for ensuring that the Reliability Standards, definitions, Variances and Interpretations developed by drafting teams are developed in accordance with the processes in this manual and meet NERC's benchmarks for Reliability Standards as well as criteria for governmental approval.<sup>11</sup>

The Standards Committee has the right to remand work to a drafting team, to reject the work of a drafting team, or to accept the work of a drafting team. The Standards Committee may disband a drafting team if it determines (a) that the drafting team is not producing a standard in a timely manner; (b) the drafting team is not able to produce a standard that will achieve industry consensus; (c) the drafting team has not addressed the scope of the SAR; or (d) the drafting team has failed to fully address a regulatory directive or otherwise provided a responsive or equally efficient and effective alternative. The Standards Committee may direct a drafting team to revise its work to follow the processes in this manual or to meet the criteria for NERC's benchmarks for Reliability Standards, or to meet the criteria for governmental approval; however, the Standards Committee shall not direct a drafting team to change the technical content of a draft Reliability Standard.

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<sup>9</sup> The industry Segment qualifications are described in the Development of the Registered Ballot Body and Segment Qualification Guidelines document posted on the Reliability Standards Resources web page and are included in Appendix 3D of the NERC Rules of Procedure.

<sup>10</sup> The Standards Committee Charter is posted on the Reliability Standards Resources web page.

<sup>11</sup> The *Ten Benchmarks of an Excellent Reliability Standard* and FERC's Criteria for Approving Reliability Standards are posted on the Reliability Standards Resources web page.

The Standards Committee shall meet at regularly scheduled intervals (either in person, or by other means). All Standards Committee meetings are open to all interested parties.

### 3.5: NERC Reliability Standards Staff

The NERC Reliability Standards Staff, led by the Director of Standards,<sup>12</sup> is responsible for administering NERC's Reliability Standards processes in accordance with this manual. The NERC Reliability Standards Staff provides support to the Standards Committee in managing the Reliability Standards processes and in supporting the work of all drafting teams. The NERC Reliability Standards Staff works to ensure the integrity of the Reliability Standards processes and consistency of quality and completeness of the Reliability Standards. The NERC Reliability Standards Staff facilitates all steps in the development of Reliability Standards, definitions, Variances, Interpretations and associated implementation plans.

The NERC Reliability Standards Staff is responsible for presenting Reliability Standards, definitions, Variances, and Interpretations to the NERC Board of Trustees for adoption. When presenting Reliability Standards-related documents to the NERC Board of Trustees for adoption or approval, the NERC Reliability Standards Staff shall report the results of the associated stakeholder ballot, including identification of unresolved stakeholder objections and an assessment of the document's practicality and enforceability.

### 3.6: Drafting Teams

The Standards Committee shall appoint industry experts to drafting teams to work with stakeholders in developing and refining Standard Authorization Requests ("SARs"), Reliability Standards, definitions, Variances, and Interpretations. The NERC Reliability Standards Staff shall provide, or solicit from the industry, essential support for each of the drafting teams in the form of technical writers, legal, compliance, and rigorous and highly trained project management and facilitation support personnel.

Each drafting team may consist of a group of technical, legal, and compliance experts that work cooperatively with the support of the NERC Reliability Standards Staff.<sup>13</sup> The technical experts provide the subject matter expertise and guide the development of the technical aspects of the Reliability Standard, assisted by technical writers, legal and compliance experts. The technical experts maintain authority over the technical details of the Reliability Standard. Each drafting team appointed to develop a Reliability Standard is responsible for following the processes identified in this manual as well as procedures developed by the Standards Committee from the inception of the assigned project through the final acceptance of that project by Applicable Governmental Authorities.

Collectively, each drafting team:

- Drafts proposed language for the Reliability Standards, definitions, Variances, and/or Interpretations and associated implementation plans.
- Develops and refines technical documents that aid in the understanding of Reliability Standards.
- Works collaboratively with NERC Compliance Monitoring and Enforcement Staff to develop Reliability Standard Audit Worksheets ("RSAWs") at the same time Reliability Standards are developed.
- Provides assistance to NERC Staff in the development of Compliance Elements of proposed Reliability Standards.

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<sup>12</sup> The Director of Standards may delegate its authority to perform certain responsibilities specified in this manual to another member of the NERC Reliability Standards staff.

<sup>13</sup> The detailed responsibilities of drafting teams are outlined in the Drafting Team Guidelines, which is posted on the Reliability Standards Resources web page.

- Solicits, considers, and responds to comments related to the specific Reliability Standards development project.
- Participates in industry forums to help build consensus on the draft Reliability Standards, definitions, Variances, and/or Interpretations and associated implementation plans.
- Assists in developing the documentation used to obtain governmental approval of the Reliability Standards, definitions, Variances, and/or Interpretations and associated implementation plans.

All drafting teams report to the Standards Committee.

### **3.7: Governmental Authorities**

FERC in the United States of America, and where permissible by statute or regulation, the federal or provincial governments of other North American jurisdictions that have recognized NERC as the ERO have the authority to approve each new, revised or withdrawn Reliability Standard, definition, Variance, VRF, VSL and Interpretation following adoption or approval by the NERC Board of Trustees.

### **3.8: Committees, Subcommittees, Working Groups, and Task Forces**

NERC's technical committees, subcommittees, working groups, and task forces provide technical research and analysis used to justify the development of new Reliability Standards and provide guidance, when requested by the Standards Committee, in overseeing field tests or collection and analysis of data. The technical committees, subcommittees, working groups, and task forces provide feedback to drafting teams during both informal and formal comment periods.

The Standards Committee may request that a NERC technical committee or other group prepare a technical document to support development of a proposed Reliability Standard.

The technical committees, subcommittees, working groups, and task forces share their observations regarding the need for new or modified Reliability Standards or Requirements with the NERC Reliability Standards Staff for use in identifying the need for new Reliability Standards projects for the three-year *Reliability Standards Development Plan*.

### **3.9: Compliance and Certification Committee**

The Compliance and Certification Committee is responsible for monitoring NERC's compliance with its Reliability Standards processes and procedures and for monitoring NERC's compliance with the Rules of Procedure regarding the development of new or revised Reliability Standards, definitions, Variances, and Interpretations. The Compliance and Certification Committee may assist in verifying that each proposed Reliability Standard is enforceable as written before the Reliability Standard is posted for formal stakeholder comment and balloting.

### **3.10: Compliance Monitoring and Enforcement Program**

As applicable, the NERC Compliance Monitoring and Enforcement Program Staff manages and enforces compliance with approved Reliability Standards. Compliance Monitoring and Enforcement Staff are responsible for the development of select compliance tools. The drafting team and the Compliance Monitoring and Enforcement Program Staff shall work together during the Reliability Standard development process to ensure an accurate and consistent understanding of the Requirements and their intent, and to ensure that applicable compliance tools accurately reflect that intent. The goal of this collaboration is to ensure that application of the Reliability Standards in the Compliance Monitoring and Enforcement Program by NERC and the Regional Entities is consistent.

The Compliance Monitoring and Enforcement Program is encouraged to share its observations regarding the need for new or modified Requirements with the NERC Reliability Standards Staff for use in identifying the need for new Reliability Standards projects.

### **3.11: North American Energy Standards Board (“NAESB”)**

While NERC has responsibility for developing Reliability Standards to support reliability, NAESB has responsibility for developing business practices and coordination between reliability and business practices as needed. NERC and NAESB developed and approved a procedure<sup>14</sup> to guide the development of Reliability Standards and business practices where the reliability and business practice components are intricately entwined within a proposed Reliability Standard.

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<sup>14</sup> The NERC NAESB Template Procedure for Joint Standards Development and Coordination is posted on the Reliability Standards Resources web page.



## Section 4.0: Process for Developing, Modifying, Withdrawing or Retiring a Reliability Standard

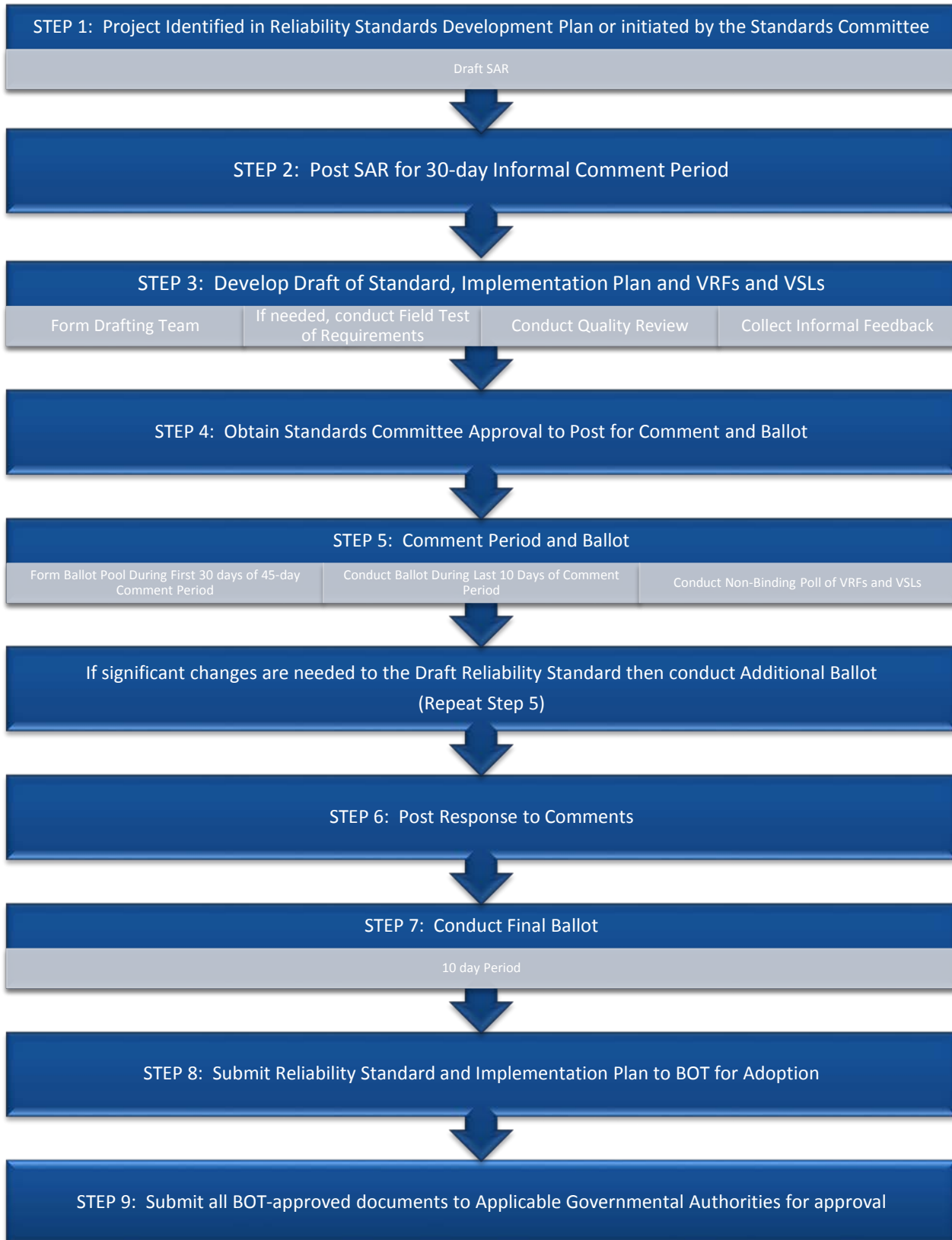
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There are several steps to the development, modification, withdrawal or retirement of a Reliability Standard.<sup>15</sup>

The development of the *Reliability Standards Development Plan* is the appropriate forum for reaching agreement on whether there is a need for a Reliability Standard and the scope of a proposed Reliability Standard. A typical process for a project identified in the *Reliability Standards Development Plan* that involves a revision to an existing Reliability Standard is shown below. Note that most projects do not include a field test.

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<sup>15</sup> The process described is also applicable to projects used to propose a new or modified definition or Variance or to propose retirement of a definition or Variance.



**FIGURE 1: Process for Developing or Modifying a Reliability Standard**

## 4.1: Posting and Collecting Information on SARs

### Standard Authorization Request

A Standard Authorization Request (“SAR”) is the form used to document the scope and reliability benefit of a proposed project for one or more new or modified Reliability Standards or definitions or the benefit of retiring one or more approved Reliability Standards. Any entity or individual, including NERC committees or subgroups and NERC Staff, may propose the development of a new or modified Reliability Standard, or may propose the retirement of a Reliability Standard (in whole or in part), by submitting a completed SAR to the NERC Reliability Standards Staff.<sup>16</sup> The Standards Committee has the authority to approve the posting of all SARs for projects that propose (i) developing a new or modified Reliability Standard or definition or (ii) propose retirement of an existing Reliability Standard (or elements thereof).

The NERC Reliability Standards Staff sponsors an open solicitation period each year seeking ideas for new Reliability Standards projects (using *Reliability Standards Suggestions and Comments forms*). The open solicitation period is held in conjunction with the annual revision to the *Reliability Standards Development Plan*. While the Standards Committee prefers that ideas for new projects be submitted during this annual solicitation period through submittal of a *Reliability Standards Suggestions and Comments Form*,<sup>17</sup> a SAR proposing a specific project may be submitted to the NERC Reliability Standards Staff at any time.

Each SAR that proposes a “new” or substantially revised Reliability Standard or definition should be accompanied by a technical justification that includes, as a minimum, a discussion of the reliability-related benefits and costs of developing the new Reliability Standard or definition, and a technical foundation document (*e.g.*, research paper) to guide the development of the Reliability Standard or definition. The technical document should address the engineering, planning and operational basis for the proposed Reliability Standard or definition, as well as any alternative approaches considered during SAR development.

The NERC Reliability Standards Staff shall review each SAR and work with the submitter to verify that all required information has been provided. All properly completed SARs shall be submitted to the Standards Committee for action at the next regularly scheduled Standards Committee meeting.

When presented with a SAR, the Standards Committee shall determine if the SAR is sufficiently complete to guide Reliability Standard development and whether the SAR is consistent with this manual. The Standards Committee shall take one of the following actions:

- Accept the SAR.
- Remand the SAR back to the requestor or to NERC Reliability Standards Staff for additional work.
- Reject the SAR. The Standards Committee may reject a SAR for good cause. If the Standards Committee rejects a SAR, it shall provide a written explanation for rejection to the sponsor within ten days of the rejection decision.
- Delay action on the SAR pending one of the following: (i) development of a technical justification for the proposed project; or (ii) consultation with another NERC Committee to determine if there is another approach to addressing the issue raised in the SAR.

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<sup>16</sup> The SAR form is available on the Reliability Standards Resources web page.

<sup>17</sup> The *Reliability Standards Suggestions and Comments Form* can be downloaded from the Reliability Standards Resources web page.

If the Standards Committee is presented with a SAR that proposes developing a new Reliability Standard or definition but does not have a technical justification upon which the Reliability Standard or definition can be developed, the Standards Committee shall direct the NERC Reliability Standards Staff to post the SAR for a 30-day comment period solely to collect stakeholder feedback on the scope of technical foundation, if any, needed to support the proposed project. If a technical foundation is determined to be necessary, the Standards Committee shall solicit assistance from NERC's technical committees or other industry experts to provide that foundation before authorizing development of the associated Reliability Standard or definition.

During the SAR comment process, the drafting team may become aware of potential regional Variances related to the proposed Reliability 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 shall be made a part of the draft new or revised Reliability Standard.

If the Standards Committee accepts a SAR, the project shall be added to the list of approved projects. The Standards Committee shall assign a priority to the project, relative to all other projects under development, and those projects already identified in the *Reliability Standards Development Plan* that are already approved for development.

The Standards Committee shall work with the NERC Reliability Standards Staff to coordinate the posting of SARs for new projects, giving consideration to each project's priority.

## 4.2: SAR Posting

When the Standards Committee determines it is ready to initiate a new project, the Standards Committee shall direct NERC Staff to post the project's SAR in accordance with the following:

- For SARs that are limited to addressing regulatory directives, or revisions to Reliability Standards that have had some vetting in the industry, authorize posting the SAR for a 30-day informal comment period with no requirement to provide a formal response to the comments received.
- For SARs that address the development of new projects or Reliability Standards, authorize posting the SAR for a 30-day formal comment period.

If a SAR for a new Reliability Standard is posted for a formal comment period, the Standards Committee shall appoint a drafting team to work with the NERC Staff coordinator to give prompt consideration of the written views and objections of all participants. The Standards Committee may use a public nomination process to populate the Reliability Standard drafting team, or may use another method that results in a team that collectively has the necessary technical expertise and work process skills to meet the objectives of the project. In some situations, an *ad hoc* team may already be in place with the requisite expertise, competencies, and diversity of views that are necessary to refine the SAR and develop the Reliability Standard, and additional members may not be needed. The drafting team shall address all comments submitted during the public posting period. The drafting team may address the comments in the form of a summary response addressing each of the issues raised in comments. 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. If the drafting team concludes that there is not sufficient stakeholder support to continue to refine the SAR, the team may recommend that the Standards Committee direct curtailment of work on the SAR.

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. The Standards Committee shall notify the sponsor in writing of the rejection within 10 days.

If stakeholders indicate support for the project proposed with the SAR, the drafting team shall present its work to the Standards Committee with a request that the Standards Committee authorize development of the associated Reliability Standard.

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

- Authorize drafting the proposed Reliability Standard or revisions to a Reliability Standard.
- Reject the SAR with a written explanation to the sponsor and post that explanation.

### 4.3: Form Drafting Team

When the Standards Committee is ready to have a drafting team begin work on developing a new or revised Reliability Standard, the Standards Committee shall appoint a drafting team, if one was not already appointed to develop the SAR. If the Standards Committee appointed a drafting team to refine the SAR, the same drafting team shall work to develop the associated Reliability Standard.

If no drafting team is in place, then the Standards Committee may use a public nomination process to populate the Reliability Standard drafting team, or may use another method that results in a team that collectively has the necessary technical expertise, diversity of views, and work process skills to accomplish the objectives of the project on a timely basis. In some situations, an ad hoc team may already be in place with the requisite expertise, competencies, and diversity of views that are necessary to develop the Reliability Standard, and additional members may not be needed.

The NERC Reliability Standards Staff shall provide one or more members as needed to support the team with facilitation, project management, compliance, legal, regulatory and technical writing expertise and shall provide administrative support to the team, guiding the team through the steps in completing its project. In developing the Reliability Standard, the individuals provided by the NERC Reliability Standards Staff serve as advisors to the drafting team and do not have voting rights but share accountability along with the drafting team members assigned by the Standards Committee for timely delivery of a final draft Reliability Standard that meets the quality attributes identified in NERC's *Ten Benchmarks of an Excellent Reliability Standard*. The drafting team members assigned by the Standards Committee shall have final authority over the technical details of the Reliability Standard, while the technical writer shall provide assistance to the drafting team in assuring that the final draft of the Reliability Standard meets the quality attributes identified in NERC's *Ten Benchmarks of an Excellent Reliability Standard*.

Once it is appointed by the Standards Committee, the Reliability Standard drafting team is responsible for making recommendations to the Standards Committee regarding the remaining steps in the Reliability Standards process. Consistent with the need to provide for timely standards development, the Standards Committee may decide a project is so large that it should be subdivided and either assigned to more than one drafting team or assigned to a single drafting team with clear direction on completing the project in specified phases. The normally expected timeframes for standards development within the context of this manual are applicable to individual standards and not to projects containing multiple standards. Alternatively, a single drafting team may address the entire project with a commensurate increase in the expected duration of the development work. If a SAR is subdivided and assigned to more than one drafting team, each drafting team will have a clearly defined portion of the work such that there are no overlaps and no gaps in the work to be accomplished.

The Standards Committee may supplement the membership of a Reliability Standard drafting team or provide for additional advisors, as appropriate, to ensure the necessary competencies and diversity of views are maintained throughout the Reliability Standard development effort.

## 4.4: Develop Preliminary Draft of Reliability Standard, Implementation Plan, and VRFs and VSLs

### 4.4.1: Project Schedule

When a drafting team begins its work, either in refining a SAR or in developing or revising a proposed Reliability Standard, the drafting team shall develop a project schedule which shall be approved by the Standards Committee. The drafting team shall report progress to the Standards Committee, against the initial project schedule and any revised schedule as requested by the Standards Committee. Where project milestones cannot be completed on a timely basis, modifications to the project schedule must be presented to the Standards Committee for consideration along with proposed steps to minimize unplanned project delays.

### 4.4.2: Draft Reliability Standard

The team shall develop a Reliability Standard that is within the scope of the associated SAR that includes all required elements as described earlier in this manual and that meets the quality attributes identified in NERC's *Ten Benchmarks of an Excellent Reliability Standard*, with a goal of meeting the criteria for governmental approval.

The drafting team may, at its discretion, develop one or more supporting technical documents to help explain or facilitate understanding of the draft Reliability Standard, implementation plan, VSL, or VRF. These supporting technical documents may include, among other things: (1) reference documents designed to provide the drafting team's technical rationale, analysis, or explanatory information to support the understanding of the draft Reliability Standard or related element; or (2) white papers designed to explain a technical position or concept underlying the draft Reliability Standard or related element. Such documents may be posted during an informal comment period (Section 4.5) or formal comment period (Section 4.7).

### 4.4.3: Implementation Plan

As a drafting team drafts its proposed revisions to a Reliability Standard, that team is also required to develop an implementation plan to identify any factors for consideration when approving the proposed effective date or dates for the associated Reliability Standard or Standards. As a minimum, the implementation plan shall include the following:

- The proposed effective date (the date entities shall be compliant) for the Requirements.
- Identification of any new or modified definitions that are proposed for approval with the associated Reliability Standard.
- Whether there are any prerequisite actions that need to be accomplished before entities are held responsible for compliance with one or more of the Requirements.
- Whether approval of the proposed Reliability Standard will necessitate any conforming changes to any already approved Reliability Standards – and identification of those Reliability Standards and Requirements.
- The Functional Entities that will be required to comply with one or more Requirements in the proposed Reliability Standard.

A single implementation plan may be used for more than one Reliability Standard. The implementation plan is posted with the associated Reliability Standard or Standards during the 45-day formal comment period and is balloted with the associated Reliability Standard.

### 4.4.4: Violation Risk Factors and Violation Severity Levels

The drafting team shall work with NERC Staff in developing a set of VRFs and VSLs that meet the latest criteria established by NERC and Applicable Governmental Authorities. The drafting team shall document its justification for selecting each VRF and for setting each set of proposed VSLs by explaining how its proposed VRFs and VSLs meet

these criteria. NERC Staff is responsible for ensuring that the VRFs and VSLs proposed for stakeholder review meet these criteria.

Before the drafting team has finalized its Reliability Standard, implementation plan, and VRFs and VSLs, the team should seek stakeholder feedback on its preliminary draft documents.

#### **4.5: Informal Feedback<sup>18</sup>**

Drafting teams may use a variety of methods to collect informal stakeholder feedback on preliminary drafts of its documents, including the use of informal comment periods,<sup>19</sup> webinars, industry meetings, workshops, or other mechanisms. Information gathered from informal comment forms shall be publicly posted. While drafting teams are not required to provide a written response to each individual comment received, drafting teams are encouraged, where possible, to post a summary response that identifies how it used comments submitted by stakeholders. Drafting teams are encouraged, where possible, to reach out directly to individual stakeholders in order to facilitate resolution of identified stakeholder concerns. The intent is to gather stakeholder feedback on a “working document” before the document reaches the point where it is considered the “final draft.”

#### **4.6: Conduct Quality Review**

The NERC Reliability Standards Staff shall coordinate a quality review of the Reliability Standard, implementation plan, and VRFs and VSLs in parallel with the development of the Reliability Standard and implementation plan, to assess whether the documents are within the scope of the associated SAR, whether the Reliability Standard is clear and enforceable as written, and whether the Reliability Standard meets the criteria specified in NERC’s *Ten Benchmarks of an Excellent Reliability Standard* and criteria for governmental approval of Reliability Standards. The drafting team shall consider the results of the quality review, decide upon appropriate changes, and recommend to the Standards Committee whether the documents are ready for formal posting and balloting.

The Standards Committee shall authorize posting the proposed Reliability Standard, and implementation plan for a formal comment period and ballot and the VRFs and VSLs for a non-binding poll as soon as the work flow will accommodate.

If the Standards Committee finds that any of the documents do not meet the specified criteria, the Standards Committee shall remand the documents to the drafting team for additional work.

If the Reliability Standard is outside the scope of the associated SAR, the drafting team shall be directed to either revise the Reliability Standard so that it is within the approved scope, or submit a request to expand the scope of the approved SAR. If the Reliability Standard is not clear and enforceable as written, or if the Reliability Standard does not meet the specified criteria, the Reliability Standard shall be returned to the drafting team by the Standards Committee with specific identification of any Requirement that is deemed to be unclear or unenforceable as written.

#### **4.7: Conduct Formal Comment Period and Ballot**

Proposed new or modified Reliability Standards require a formal comment period where the new or modified Reliability Standard, implementation plan and associated VRFs and VSLs or the proposal to retire a Reliability Standard, implementation plan, and associated VRFs and VSLs are posted.

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<sup>18</sup> While this discussion focuses on collecting stakeholder feedback on proposed Reliability Standards and implementation plans, the same process is used to collect stakeholder feedback on proposed new or modified Interpretations, definitions and Variances.

<sup>19</sup> The term “informal comment period” refers to a comment period conducted outside of the ballot process and where there is no requirement for a drafting team to respond in writing to submitted comments.

The formal comment period shall be at least 45-days long. Formation of the ballot pool and Ballot of the Reliability Standard take place during this formal 45-day comment period. The intent of the formal comment period(s) is to solicit very specific feedback on the final draft of the Reliability Standard, implementation plan and VRFs and VSLs.

Comments in written form may be submitted on a draft Reliability Standard by any interested stakeholder, including NERC Staff, FERC Staff, and other interested governmental authorities. If stakeholders disagree with some aspect of the proposed set of products, comments provided should explain the reasons for such disagreement and, where possible, suggest specific language that would make the product acceptable to the stakeholder.

#### **4.8: Form Ballot Pool**

The NERC Reliability Standards Staff shall establish a ballot pool during the first 30 days of the 45-day formal comment period. The NERC Reliability Standards Staff shall post the proposed Reliability Standard, along with its implementation plan, VRFs and VSLs and shall send a notice to every entity in the Registered Ballot Body to provide notice that there is a new or revised Reliability Standard proposed for approval and to solicit participants for the associated ballot pool. All members of the Registered Ballot Body are eligible to join each ballot pool to vote on a new or revised Reliability Standard and its implementation plan and to participate in the non-binding poll of the associated VRFs and VSLs.

Any member of the Registered Ballot Body may join or withdraw from the ballot pool until the ballot window opens. No Registered Ballot Body member may join or withdraw from the ballot pool once the first ballot starts through the point in time where balloting for that Reliability Standard action has ended. The Director of Standards or its designee may authorize deviations from this rule for extraordinary circumstances such as the death, retirement, or disability of a ballot pool member that would prevent an entity that had a member in the ballot pool from eligibility to cast a vote during the ballot window. Any authorized deviation shall be documented and noted to the Standards Committee.

#### **4.9: Conduct Ballot and Non-binding Poll of VRFs and VSLs<sup>20</sup>**

The NERC Reliability Standards Staff shall announce the opening of the Ballot window and the non-binding poll of VRFs and VSLs. The Ballot window and non-binding poll of VRFs and VSLs shall take place during the last 10 days of the 45-day formal comment period and for the Final Ballot shall be no less than 10 days. If the last day of the ballot window falls on a Saturday or Sunday, the period does not end until the next business day.<sup>21</sup>

The ballot and non-binding poll shall be conducted electronically. The voting window shall be for a period of 10 days but shall be extended, if needed, until a quorum is achieved. During a ballot window, NERC shall not sponsor or facilitate public discussion of the Reliability Standard action under ballot.

There is no requirement to conduct a new non-binding poll of the revised VRFs and VSLs if no changes were made to the associated standard, however if the requirements are modified and conforming changes are made to the associated VRFs and VSLs, another non-binding poll of the revised VRFs and VSLs shall be conducted.

#### **4.10: Criteria for Ballot Pool Approval**

Ballot pool approval of a Reliability Standard requires:

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<sup>20</sup> While RSAWs are not part of the Reliability Standard, they are developed through collaboration of the SDT and NERC Compliance Staff. A non-binding poll, similar to what is done for VRFs and VSLs may be conducted for the RSAW developed through this process to gauge industry support for the companion RSAW to be provided for informational purposes to the NERC Board of Trustees.

<sup>21</sup> Closing dates may be extended as deemed appropriate by NERC Staff.



A quorum, which is established by at least 75% of the members of the ballot pool submitting a response; and

A two-thirds majority of the weighted Segment votes cast shall be affirmative. The number of votes cast is the sum of affirmative votes and negative votes with comments. This calculation of votes for the purpose of determining consensus excludes (i) abstentions, (ii) non-responses, and (iii) negative votes without comments.

The following process<sup>22</sup> is used to determine if there are sufficient affirmative votes.

- For each Segment with ten or more voters, the following process shall be used: The number of affirmative votes cast shall be divided by the sum of affirmative and negative votes with comments cast to determine the fractional affirmative vote for that Segment. Abstentions, non-responses, and negative votes without comments shall not be counted for the purposes of determining the fractional affirmative vote for a Segment.
- For each Segment with less than ten voters, the vote weight of that Segment shall be proportionally reduced. Each voter within that Segment voting affirmative or negative with comments shall receive a weight of 10% of the Segment vote.
- The sum of the fractional affirmative votes from all Segments divided by the number of Segments voting<sup>23</sup> shall be used to determine if a two-thirds majority has been achieved. (A Segment shall be considered as “voting” if any member of the Segment in the ballot pool casts either an affirmative vote or a negative vote with comments.)
- A Reliability Standard shall be approved if the sum of fractional affirmative votes from all Segments divided by the number of voting Segments is at least two thirds.

## 4.11: Voting Positions

Each member of the ballot pool may **only** vote one of the following positions on the Ballot and Additional Ballot(s):

- Affirmative;
- Affirmative, with comment;
- Negative with comments;
- Abstain.

Given that there is no formal comment period concurrent with the Final Ballot, each member of the ballot pool may **only** vote one of the following positions on the Final Ballot:

- Affirmative;
- Negative;<sup>24</sup>
- Abstain.

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<sup>22</sup> Examples of weighted segment voting calculation are posted on the Reliability Standards Resources web page.

<sup>23</sup> 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.

<sup>24</sup> The Final Ballot is used to confirm consensus achieved during the Formal Comment and Ballot stage. Ballot Pool members voting negative on the Final Ballot will be deemed to have expressed the reason for their negative ballot in their own comments or the comments of others during prior Formal Comment periods.

## 4.12: Consideration of Comments and Additional Ballots

A drafting team must respond in writing to every stakeholder written comment submitted in response to a ballot prior to conducting a Final Ballot. These responses may be provided in summary form, but all comments and objections must be responded to by the drafting team. All comments received and all responses shall be publicly posted.

If a stakeholder or balloter proposes a significant revision to a Reliability Standard during the formal comment period or concurrent Ballot that will improve the quality, clarity, or enforceability of that Reliability Standard, then the drafting team may choose to make such revisions and post the revised Reliability Standard for another 45-day public comment period and ballot. A drafting team is not required to respond in writing to comments to the previous ballot when it determines that significant changes are needed and an Additional Ballot will be conducted. Prior to posting the revised Reliability Standard for an additional comment period, the drafting team must communicate this decision to stakeholders. This communication is intended to inform stakeholders that the drafting team has identified that significant revisions to the Reliability Standard are necessary and should note that the drafting team is not required to respond in writing to comments from the previous ballot. The drafting team will respond to comments received in the last Additional Ballot prior to conducting a Final Ballot.

There are no limits to the number of public comment periods and ballots that can be conducted to result in a Reliability Standard or ~~interpretation~~Interpretation that is clear and enforceable, and achieves a quorum and sufficient affirmative votes for approval. The Standards Committee has the authority to conclude this process for a particular Reliability Standards action if it becomes obvious that the drafting team cannot develop a Reliability Standard that is within the scope of the associated SAR, is sufficiently clear to be enforceable, and achieves the requisite weighted Segment approval percentage.

## 4.13: Conduct Final Ballot

When the drafting team has reached a point where it has made a good faith effort at resolving applicable objections and is not making any substantive changes from the previous ballot, the team shall conduct a “Final Ballot.” A non-substantive revision is a revision that does not change the scope, applicability, or intent of any Requirement and includes but is not limited to things such as correcting the numbering of a Requirement, correcting the spelling of a word, adding an obviously missing word, or rephrasing a Requirement for improved clarity. Where there is a question as to whether a proposed modification is “substantive,” the Standards Committee shall make the final determination.

In the Final Ballot, members of the ballot pool shall again be presented the proposed Reliability Standard along with the reasons for negative votes from the previous ballot, the responses of the drafting team to those concerns, and any resolution of the differences.

All members of the ballot pool shall be permitted to reconsider and change their vote from the prior ballot. Members of the ballot pool who did not respond to the prior ballot shall be permitted to vote in the Final Ballot. In the Final Ballot, votes shall be counted by exception only — members on the Final Ballot may indicate a revision to their original vote; otherwise their vote shall remain the same as in their prior ballot.

There is no formal comment period concurrent with the Final Ballot and no obligation for the drafting team to respond to any comments submitted during the Final Ballot.

## 4.14: Final Ballot Results

The NERC Reliability Standards Staff shall post the final outcome of the ballot process. If the Reliability Standard is rejected, the Standards Committee may decide whether to end all further work on the proposed standard, return the project to informal development, or continue holding ballots to attempt to reach consensus on the proposed standard. If the Reliability Standard is approved, the Reliability Standard shall be posted and presented to the Board

of Trustees by NERC management for adoption and subsequently filed with Applicable Governmental Authorities for approval.

#### **4.15: Board of Trustees Adoption of Reliability Standards, Implementation Plan and VRFs and VSLs**

If a Reliability Standard and its associated implementation plan are approved by its ballot pool, the Board of Trustees shall consider adoption of that Reliability Standard and its associated implementation plan and shall direct the standard to be filed with Applicable Governmental Authorities for approval. In making its decision, the Board shall consider the results of the balloting and unresolved dissenting opinions. The Board shall adopt or reject a Reliability Standard and its implementation plan, but shall not modify a proposed Reliability Standard. If the Board chooses not to adopt a Reliability Standard, it shall provide its reasons for not doing so.

The Board shall consider approval of the VRFs and VSLs associated with a Reliability Standard. In making its determination, the board shall consider the following:

- The Standards Committee shall present the results of the non-binding poll conducted and a summary of industry comments received on the final posting of the proposed VRFs and VSLs.
- NERC Staff shall present a set of recommended VRFs and VSLs that considers the views of the standard drafting team, stakeholder comments received on the draft VRFs and VSLs during the posting for comment process, the non-binding poll results, appropriate governmental agency rules and directives, and VRF and VSL assignments for other Reliability Standards to ensure consistency and relevance across the entire spectrum of Reliability Standards.

#### **4.16: Compliance**

For a Reliability Standard to be enforceable, it shall be approved by its ballot pool, adopted by the NERC Board of Trustees, and approved by Applicable Governmental Authorities, unless otherwise approved by the NERC Board of Trustees pursuant to the NERC Rules of Procedure (*e.g.*, Section 321) and approved by Applicable Governmental Authorities. Once a Reliability Standard is approved or otherwise made mandatory by Applicable Governmental Authorities, all persons and organizations subject to jurisdiction of the ERO will be required to comply with the Reliability Standard in accordance with applicable statutes, regulations, and agreements.

#### **4.17: Withdrawal of a Reliability Standard, Interpretation, or Definition**

The term “withdrawal” as used herein, refers to the discontinuation of a Reliability Standard, Interpretation, Variance or definition that has been approved by the Board of Trustees and (1) has not been filed with Applicable Governmental Authorities, or (2) has been filed with, but not yet approved by, Applicable Governmental Authorities. The Standards Committee may withdraw a Reliability Standard, Interpretation or definition for good cause upon approval by the Board of Trustees. Upon approval by the Board of Trustees, NERC Staff will petition the Applicable Governmental Authorities, as needed, to allow for withdrawal. The Board of Trustees also has an independent right of withdrawal that is unaffected by the terms and conditions of this Section.

#### **4.18: Retirement of a Reliability Standard, Interpretation, or Definition**

The term “retirement” refers to the discontinuation of a Reliability Standard, Interpretation or definition that has been approved by Applicable Governmental Authorities. A Reliability Standard, Variance or Definition may be retired when it is superseded by a revised version, and in such cases the retirement of the earlier version is to be noted in the implementation plan presented to the ballot pool for approval and the retirement shall be considered approved by the ballot pool upon ballot pool approval of the revised version.

Upon identification of a need to retire a Reliability Standard, Variance, Interpretation or definition, where the item will not be superseded by a new or revised version, a SAR containing the proposal to retire a Reliability Standard, Variance, Interpretation or definition will be posted for a comment period and ballot in the same manner as a Reliability Standard. The proposal shall include the rationale for the retirement and a statement regarding the impact of retirement on the reliability of the Bulk Power System. Upon approval by the Board of Trustees, NERC Staff will petition the Applicable Governmental Authorities to allow for retirement.

## Section 5.0: Process for Developing a Defined Term

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NERC maintains a glossary of approved terms, entitled the *Glossary of Terms Used in NERC Reliability Standards*<sup>25</sup> (“Glossary of Terms”). The Glossary of Terms includes terms that have been through the formal approval process and are used in one or more NERC Reliability Standards. Definitions shall not contain statements of performance Requirements. The Glossary of Terms is intended to provide consistency throughout the Reliability Standards.

There are several methods that can be used to add, modify or retire a defined term used in a continent-wide Reliability Standard.

- Anyone can use a Standard Authorization Request (“SAR”) to submit a request to add, modify, or retire a defined term.
- Anyone can submit a Standards Comments and Suggestions Form recommending the addition, modification, or retirement of a defined term. (The suggestion would be added to a project and incorporated into a SAR.)
- A drafting team may propose to add, modify, or retire a defined term in conjunction with the work it is already performing.

### 5.1: Proposals to Develop a New or Revised Definition

The following considerations should be made when considering proposals for new or revised definitions:

- Some NERC Regional Entities have defined terms that have been approved for use in Regional Reliability Standards, and where the drafting team agrees with a term already defined by a Regional Entity, the same definition should be adopted if needed to support a NERC Reliability Standard.
- If a term is used in a Reliability Standard according to its common meaning (as found in a collegiate dictionary), the term shall not be proposed for addition to the Glossary of Terms.
- If a term has already been defined, any proposal to modify or delete that term shall consider all uses of the definition in approved Reliability Standards, with a goal of determining whether the proposed modification is acceptable, and whether the proposed modification would change the scope or intent of any approved Reliability Standards.
- When practical, where NAESB has a definition for a term, the drafting team shall use the same definition to support a NERC Reliability Standard.

Any definition that is balloted separately from a proposed new or modified Reliability Standard or from a proposal for retirement of a Reliability Standard shall be accompanied by an implementation plan.

If a SAR is submitted to the NERC Reliability Standards Staff with a proposal for a new or revised definition, the Standards Committee shall consider the urgency of developing the new or revised definition and may direct NERC Staff to post the SAR immediately, or may defer posting the SAR until a later time based on its priority relative to other projects already underway or already approved for future development. If the SAR identifies a term that is used in a Reliability Standard already under revision by a drafting team, the Standards Committee may direct the drafting team to add the term to the scope of the existing project. Each time the Standards Committee accepts a SAR for a project that was not identified in the *Reliability Standards Development Plan*, the project shall be added to the list of approved projects.

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<sup>25</sup> The latest approved version of the Glossary of Terms is posted on the NERC website on the Standards web page.

## 5.2: Stakeholder Comments and Approvals

Any proposal for a new or revised definition shall be processed in the same manner as a Reliability Standard and quality review shall be conducted in parallel with this process. Once authorized by the Standards Committee, the proposed definition and its implementation plan shall be posted for at least one formal stakeholder comment period and shall be balloted in the same manner as a Reliability Standard. If a new or revised definition is proposed by a drafting team, that definition may be balloted separately from the associated Reliability Standard.

Each definition that is approved by its ballot pool shall be submitted to the NERC Board of Trustees for adoption and then filed with Applicable Governmental Authorities for approval in the same manner as a Reliability Standard.

## Section 6.0: Process for Conducting Field Tests

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While most drafting teams can develop Reliability Standards without the need to conduct any field tests and without the need to collect and analyze data, some Reliability Standard development efforts may benefit from field tests to analyze data and validate concepts in the development of Reliability Standards. Drafting teams are not required to collect and analyze data or to conduct a field test to validate a Reliability Standard.

A field test is initiated by either a SAR or Reliability Standard drafting team. The drafting team is responsible for developing the field test plan, including the implementation schedule, and identifying compliance-related issues, such as the potential need for compliance waivers. [Participation in a field test is voluntary.](#)

### 6.1: Field Tests and Data Analysis (collectively “field test”)

- Field tests to validate concepts supporting the development of Reliability Standards should be conducted before finalizing the SAR for a project.
- To conduct a field test of a technical concept in a proposed new or revised Reliability Standard, the [SAR or standard](#) drafting team shall work with NERC Staff to identify one of NERC’s technical committees to oversee the field test as well as other technical committees with relevant technical expertise.
- The drafting team shall perform the field test, in coordination with NERC Staff and under the supervision of the assigned technical committee, in accordance with an approved field test plan. The drafting team may be assisted by other individuals based on the required expertise needed to support the field test.
- The lead NERC technical committee shall identify potential field test participants.

#### 6.1.1: Field Test Approval

The request to conduct a field test shall include, at a minimum:

- the field test plan;
- the implementation schedule; and
- a schedule for providing periodic updates regarding field test results and analysis to the lead NERC technical committee.

Prior to the drafting team conducting a field test, the drafting team shall: (i) first receive approval from the lead NERC technical committee; and (ii) then receive approval from the Standards Committee.

The lead NERC technical committee shall base its approval on the technical adequacy of the field test request. Following approval, the lead NERC technical committee shall provide a recommendation to the Standards Committee for the disposition of the field test request.

The Standards Committee’s decision to approve the field test request shall be based on: (i) an affirmative recommendation from the lead NERC technical committee regarding the field test plan; and (ii) the Standard Committee’s approval of the implementation schedule and the periodic update schedule. If the Standards Committee rejects the field test request, the Standards Committee shall provide an explanation of the decision to the lead NERC technical committee.

#### 6.1.2: Compliance Waivers

Compliance waivers may be required for Registered Entities that would be rendered incapable of complying with the Requirement(s) of a currently-enforceable Reliability Standard due to their participation in the field test. The NERC Compliance Monitoring and Enforcement Program Staff shall determine whether to approve any such compliance waivers and shall be responsible for approving any modifications or terminations to approved waivers that may

become necessary in the course of conducting the field test. Staff shall notify the affected Registered Entities of all compliance waiver determinations.

### **6.1.3: Field Test Suspension for Reliability Concerns**

During the field test, if NERC or the lead NERC technical committee overseeing the field test determines that the field test is creating a reliability risk to the Bulk Power System, NERC or the lead NERC technical committee shall:

- stop the activity;
- inform the Standards Committee that the activity was stopped; and
- if NERC or the lead technical committee is of the opinion a modification to the field test is necessary, provide a technical justification to the drafting team.

The Standards Committee, with the assistance of NERC Staff, shall:

- document the cessation or modification of the field test; and
- notify NERC Compliance Monitoring and Enforcement Program Staff to coordinate any compliance-related issues such as continuing or terminating waivers, where applicable (see Section 6.1.2).

Prior to modifying the field test or restarting the field test after it has been stopped, the drafting team shall resubmit the field test request and receive approval as outlined in Section 6.1.1.

### **6.1.4: Continuing, Modifying, or Terminating a Field Test**

If the drafting team determines that a field test does not provide sufficient information to formulate a conclusion within the time allotted in the plan, it shall provide to the lead NERC technical committee and the chair of the Standards Committee a recommendation to continue, modify, or terminate the field test. The lead NERC technical committee shall either approve or reject a request to continue, modify, or terminate the field test and thereafter provide notice to the Standards Committee chair of its decision. The Standards Committee shall notify NERC Compliance Monitoring and Enforcement Program Staff to coordinate any compliance-related issues such as continuing or terminating waivers (see Section 6.1.2).

If the duration of the field test is extended beyond the period of standard development, NERC Staff shall post the preliminary report and results on the NERC web site prior to the final ballot of the Reliability Standard.

## **6.2: Communication and Coordination for All Types of Field Tests**

The approved field test plan and any modifications thereto, along with all field test reports and results, shall be publicly posted on the NERC web site. The participant list shall also be posted, unless posting this list would present confidentiality or other concerns.



## Section 7.0: Process for Developing an Interpretation

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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. A valid Interpretation response provides additional clarity about one or more Requirements, but does not expand on any Requirement and does not explain how to comply with any Requirement. Any entity that is directly and materially affected by the reliability of the North American Bulk Power Systems may request an Interpretation of any Requirement in any continent-wide Reliability Standard that has been adopted by the NERC Board of Trustees. Interpretations will only be provided for Board of Trustees-approved Reliability Standards *i.e.* (i) the current effective version of a Reliability Standard; or (ii) a version of a Reliability Standard with a future effective date.

### 7.1: Valid Interpretation Criteria

A valid Interpretation may only clarify or explain the meaning of the language of the Requirement(s) of an approved Reliability Standard, including, if applicable, any referenced attachment. A valid Interpretation may not alter the scope or language of a Requirement or referenced attachment. No other elements of an approved Reliability Standard are subject to an Interpretation.

### 7.2: Process for Requesting an Interpretation

The entity requesting an Interpretation shall submit a *Request for Interpretation* form<sup>26</sup> to NERC Staff explaining the clarification or explanation requested, the specific circumstances surrounding the request, and the impact of not having the Interpretation provided. NERC Staff shall review the request for Interpretation to determine whether it meets the criteria for a valid Interpretation. Based on this review, NERC Staff shall make a recommendation to the Standards Committee whether to accept the request for Interpretation and move forward in responding to the Interpretation request. NERC Staff shall periodically communicate to the Standards Committee the status of all Interpretation requests that are pending resolution.

#### 7.2.1: Rejection of an Interpretation Request

The Standards Committee may reject a request for Interpretation in the following circumstances:

- The request seeks approval of a particular compliance approach.<sup>27</sup>
- The issue can be addressed by incorporating the issue into an existing standard development project or a project contemplated in a published development plan.
- The request seeks clarification or explanation of any element of a Reliability Standard other than a Requirement or referenced attachment.
- The issue has already been addressed in the record.<sup>28</sup>
- The request identifies an issue and proposes the development of a new or modified Reliability Standard (such issues should be addressed via submission of a SAR).
- The request seeks to alter the scope of a Reliability Standard.
- The meaning of a Reliability Standard is clear and evident by inspection or the plain words that are written.

If the Standards Committee rejects the Interpretation request, it shall provide a written explanation for the rejection to the entity requesting the Interpretation within 10 business days of the decision to reject.

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<sup>26</sup> The *Request for Interpretation* form is posted on the NERC Standards web page.

<sup>27</sup> Requests that seek approval of specific compliance approaches, or examples of compliance, are not candidates for Interpretations and should be pursued through the applicable NERC Compliance Monitoring and Enforcement Program processes.

<sup>28</sup> The “record” is generally understood to refer to the record of development, regulatory approval record, or other materials developed to support the development or approval of a Reliability Standard.

### 7.2.2: Acceptance of an Interpretation Request

If the Standards Committee accepts the Interpretation request, it shall authorize NERC Staff to assemble an Interpretation drafting team for approval by the Standards Committee with the relevant expertise to address the request.

### 7.2.3: Development of an Interpretation

As soon as practical, the Interpretation drafting team shall develop a draft Interpretation, consistent with Section 7.1. Interpretations shall be developed in accordance with the following process:

- NERC Staff shall review the draft Interpretation to determine whether it meets the criteria for a valid Interpretation and shall provide to the Standards Committee a recommendation to authorize posting or remand to the Interpretation drafting team for further work.
- The Standards Committee, after reviewing the recommendation, shall determine whether to authorize posting of the draft Interpretation for comment and ballot.
- Interpretations shall be balloted in the same manner as Reliability Standards (*see* Section 4.0).

If the ballot results indicate that there is not a consensus for the Interpretation, and the Interpretation drafting team cannot revise the Interpretation without violating the basic criteria for what constitutes a valid Interpretation (*see* Section 7.1), the Interpretation drafting team shall notify the Standards Committee of its conclusion and may submit a SAR with the proposed modification to the Reliability Standard. The entity that requested the Interpretation shall be notified in writing and the disposition of the Interpretation shall be posted.

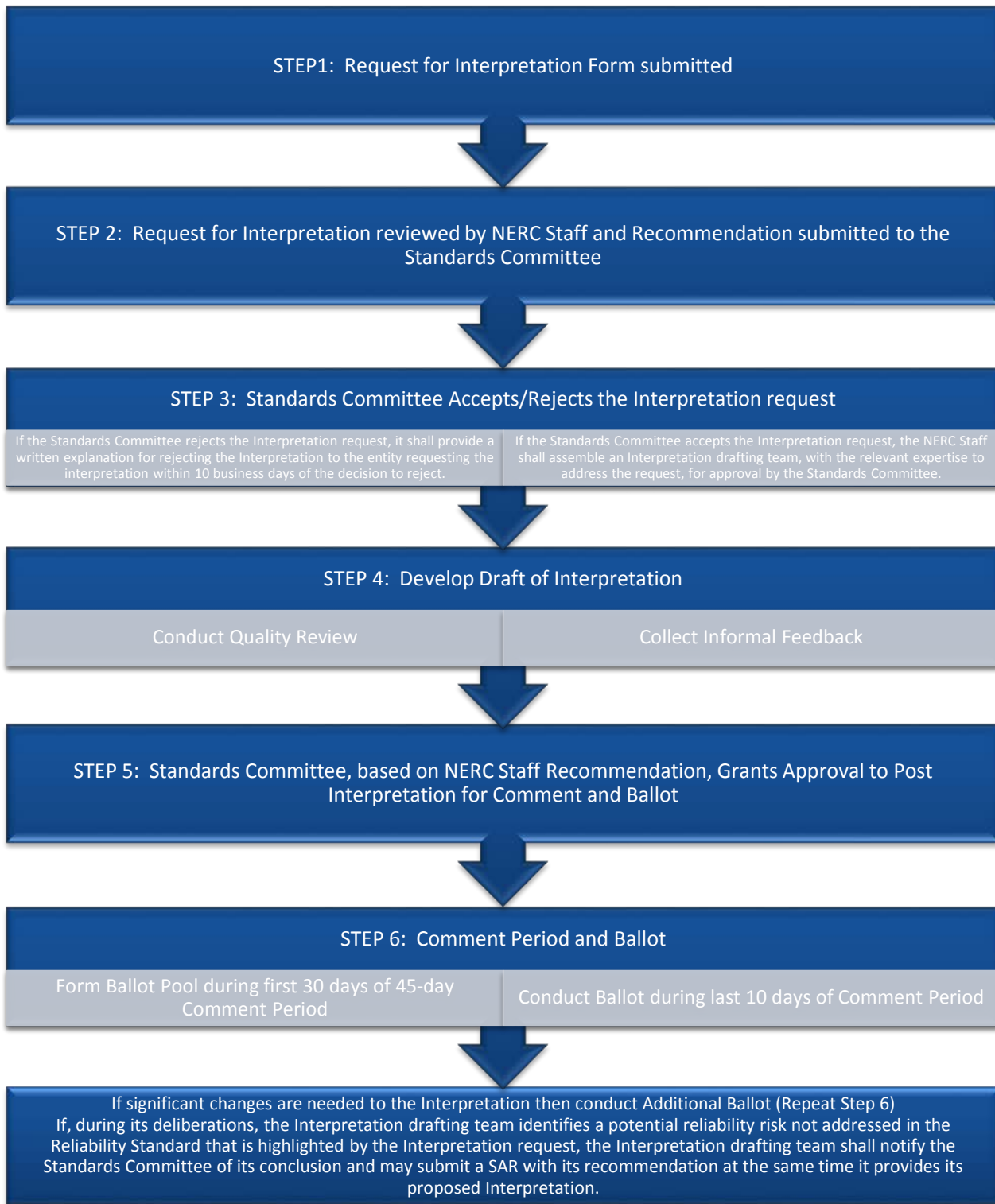
If, during its deliberations, the Interpretation drafting team identifies a potential reliability risk not addressed in the Reliability Standard that is highlighted by the Interpretation request, the Interpretation drafting team shall notify the Standards Committee of its conclusion and may submit a SAR with its recommendation at the same time it provides its proposed Interpretation.

If the ballot pool approves the Interpretation, NERC Staff shall review it to determine whether it meets the criteria for a valid Interpretation and shall make a recommendation to the NERC Board of Trustees regarding adoption.

If an Interpretation drafting team recommends modifying a Reliability Standard based on its work in developing the Interpretation, the Board of Trustees shall be notified of this recommendation at the time the Interpretation is submitted for adoption. Following Board of Trustees adoption, the Interpretation shall be filed with the Applicable Governmental Authorities, and the Interpretation shall become effective when approved by those Applicable Governmental Authorities.<sup>29</sup> The Interpretation shall stand until it can be incorporated into a future revision of the Reliability Standard or is retired due to a future modification of the applicable Requirement.

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<sup>29</sup> NERC will maintain a record of all Interpretations associated with each standard on the Reliability Standards page of the NERC website.



**FIGURE 2: Process for Developing an Interpretation**

## Section 8.0: Process for Appealing an Action or Inaction

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Any entity that has directly and materially affected interests and that has been or will be adversely affected by any procedural action or inaction related to the development, approval, revision, reaffirmation, retirement or withdrawal of a Reliability Standard, definition, Variance, associated implementation plan, or Interpretation shall have the right to appeal. This appeals process applies only to the NERC Reliability Standards processes as defined in this manual, not to the technical content of the Reliability Standards action.

The burden of proof to show adverse effect shall be on the appellant. Appeals shall be made in writing 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. 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.

### 8.1: Level 1 Appeal

Level 1 is the required first step in the appeals process. The appellant shall submit (to the Director of Standards) a complaint in writing that describes the procedural action or inaction associated with the Reliability Standards process. The appellant shall describe in the complaint the actual or potential adverse impact to the appellant. Assisted by NERC Staff and industry resources as needed, the Director of Standards or its designee 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 shall be made a part of the public record associated with the Reliability Standard.

At any time prior to receiving the written response to the Level 1 Appeal, an appellant may withdraw the Level 1 Appeal with written notice to the Director of Standards.

### 8.2: 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 Director of Standards, the Director of Standards or its designee shall convene a Level 2 Appeals Panel. This panel shall consist of five members 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 NERC Reliability Standards Staff 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 entity that is directly and materially affected by the 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, definition, Variance or Interpretation or implementation plan as these responsibilities remain with the ballot pool and Board of Trustees respectively. The actions of the Level 2 Appeals Panel shall be publicly posted.

At any time prior to the meeting of the Level 2 Appeals Panel, an appellant may withdraw the Level 2 Appeal and accept the results of the Level 1 Appeal by providing written notice to the Director of Standards.

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, definition, Variance or Interpretation. The objection shall 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

shall be filed no later than 30 days after the announcement of the vote by the ballot pool on the Reliability Standard in question.

## Section 9.0: Process for Developing a Variance

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A Variance is an approved, alternative method of achieving the reliability intent of one or more Requirements in a Reliability Standard. No Regional Entity or Bulk Power System owner, operator, or user shall claim a Variance from a NERC Reliability Standard without approval of such a Variance through the relevant Reliability Standard approval procedure for the Variance. Each Variance from a NERC Reliability Standard that is approved by NERC and Applicable Governmental Authorities shall be made an enforceable part of the associated NERC Reliability Standard.

NERC's drafting teams shall aim to develop Reliability Standards with Requirements that apply on a continent-wide basis, minimizing the need for Variances while still achieving the Reliability Standard's reliability objectives. If one or more Requirements cannot be met or complied with as written because of a physical difference in the Bulk Power System or because of an operational difference (such as a conflict with a federally or provincially approved tariff), but the Requirement's reliability objective can be achieved in a different fashion, an entity or a group of entities may pursue a Variance from one or more Requirements in a continent-wide Reliability Standard. It is the responsibility of the entity that needs a Variance to identify that need and initiate the processing of that Variance through the submittal of a SAR<sup>30</sup> that includes a clear definition of the basis for the Variance.

There are two types of Variances – those that apply on an Interconnection-wide basis, and those that apply to one or more entities on less than an Interconnection-wide basis.

### 9.1: Interconnection-wide Variances

Any Variance from a NERC Reliability Standard Requirement that is proposed to apply to Registered Entities within a Regional Entity organized on an Interconnection-wide basis shall be considered an Interconnection-wide Variance and shall be developed through that Regional Entity's NERC-approved Regional Reliability Standards development procedure.

Where a Regional Entity is not organized on an Interconnection-wide basis, but a Variance is proposed to apply to Registered Entities within an Interconnection wholly contained in that Regional Entity's footprint, the Variance may be developed through that Regional Entity's NERC-approved Regional Reliability Standards development procedure.

While an Interconnection-wide Variance may be developed through the associated Regional Reliability Standards development process, Regional Entities are encouraged to work collaboratively with existing continent-wide drafting teams to reduce potential conflicts between the two efforts.

An Interconnection-wide 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 associated NERC Reliability Standard. NERC shall rebuttably presume that an Interconnection-wide Variance from a NERC Reliability Standard that is developed, in accordance with a Regional Reliability Standards development 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.

### 9.2: Variances that Apply on Less than an Interconnection-wide Basis

Any Variance from a NERC Reliability Standard Requirement that is proposed to apply to one or more entities but less than an entire Interconnection (*e.g.*, 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 considered a Variance. A Variance may be requested while a Reliability Standard is under development or a Variance may be requested at any time after a Reliability Standard is approved. Each request for a Variance shall be initiated through a SAR, and processed and

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<sup>30</sup> A sample of a SAR that identifies the need for a Variance and a sample Variance are posted as resources on the Reliability Standards Resources web page.

approved in the same manner as a continent-wide Reliability Standard, using the Reliability Standards development process defined in this manual.

## Section 10.0: Processes for Developing a Reliability Standard Related to a Confidential Issue

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While it is NERC’s intent to use its ANSI-accredited Reliability Standards development process for developing its Reliability Standards, NERC has an obligation as the ERO to ensure that there are Reliability Standards in place to preserve the reliability of the interconnected Bulk Power Systems throughout North America. When faced with a national security emergency situation, NERC may use one of the following special processes to develop a Reliability Standard that addresses an issue that is confidential. Reliability Standards developed using one of the following processes shall be called, “special Reliability Standards” and shall not be filed with ANSI for approval as American National Standards.

The NERC Board of Trustees may direct the development of a new or revised Reliability Standard to address a national security situation that involves confidential issues. These situations may involve imminent or long-term threats. In general, these Board directives will be driven by information from the President of the United States of America or the Prime Minister of Canada or a national security agency or national intelligence agency of either or both governments indicating (to the ERO) that there is a national security threat to the reliability of the Bulk Power System.<sup>31</sup>

There are two special processes for developing Reliability Standards responsive to confidential issues – one process where the confidential issue is “imminent,” and one process where the confidential issue is “not imminent.”

### 10.1: Process for Developing Reliability Standards Responsive to Imminent, Confidential Issues

If the NERC Board of Trustees directs the immediate development of a new or revised Reliability Standard to address a confidential national security emergency situation, the NERC Reliability Standards Staff shall develop a SAR, form a ballot pool (to vote on the Reliability Standard and its implementation plan) and assemble a slate of pre-defined subject matter experts as a proposed drafting team for approval by the Standards Committee’s officers. All members of the Registered Ballot Body shall have the opportunity to join the ballot pool.

### 10.2: Drafting Team Selection

The Reliability Standard drafting team selection process shall be limited to just those candidates who have already been identified as having the appropriate security clearance, the requisite technical expertise, and either have signed or are willing to sign a strict confidentiality agreement.

### 10.3: Work of Drafting Team

The Reliability Standard drafting team shall perform all its work under strict security and confidentiality rules. The Reliability Standard drafting team shall develop the new or revised Reliability Standard and its implementation plan.

The Reliability Standard drafting team shall review its work, to the extent practical, as it is being developed with officials from the appropriate governmental agencies in the U.S. and Canada, under strict security and confidentiality rules.

### 10.4: Formal Stakeholder Comment & Ballot Window

The draft Reliability Standard and its implementation plan shall be distributed for a formal comment period, under strict confidentiality rules, only to those entities that are listed in the NERC Compliance Registry to perform one of the functions identified in the applicability section of the Reliability Standard and have identified individuals from

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<sup>31</sup> The NERC Board may direct the immediate development and issuance of a Level 3 (Essential Action) alert and then may also direct the immediate development of a new or revised Reliability Standard.



their organizations that have signed confidentiality agreements with NERC.<sup>32</sup> At the same time, the Reliability Standard shall be distributed to the members of the ballot pool for review and ballot. The NERC Reliability Standards Staff shall not post or provide the ballot pool with any confidential background information.

The drafting team, working with the NERC Reliability Standards Staff, shall consider and respond to all comments, make any necessary conforming changes to the Reliability Standard and its implementation plan, and shall distribute the comments, responses and any revision to the same population as received the initial set of documents for formal comment and ballot.

### **10.5: Board of Trustee Actions**

Each Reliability Standard and implementation plan developed through this process shall be submitted to the NERC Board of Trustees for adoption.

### **10.6: Governmental Approvals**

All approved documents shall be filed for approval with Applicable Governmental Authorities.

### **10.7: Developing a Reliability Standard Responsive to an Imminent, Confidential Issue**

The following flowchart illustrates the process for developing a Reliability Standard responsive to an imminent, confidential issue:

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<sup>32</sup> In this phase of the process, only the proposed Reliability Standard shall be distributed to those entities expected to comply, not the rationale and justification for the Reliability Standard. Only the special drafting team members, who have the appropriate security credentials, shall have access to this rationale and justification.

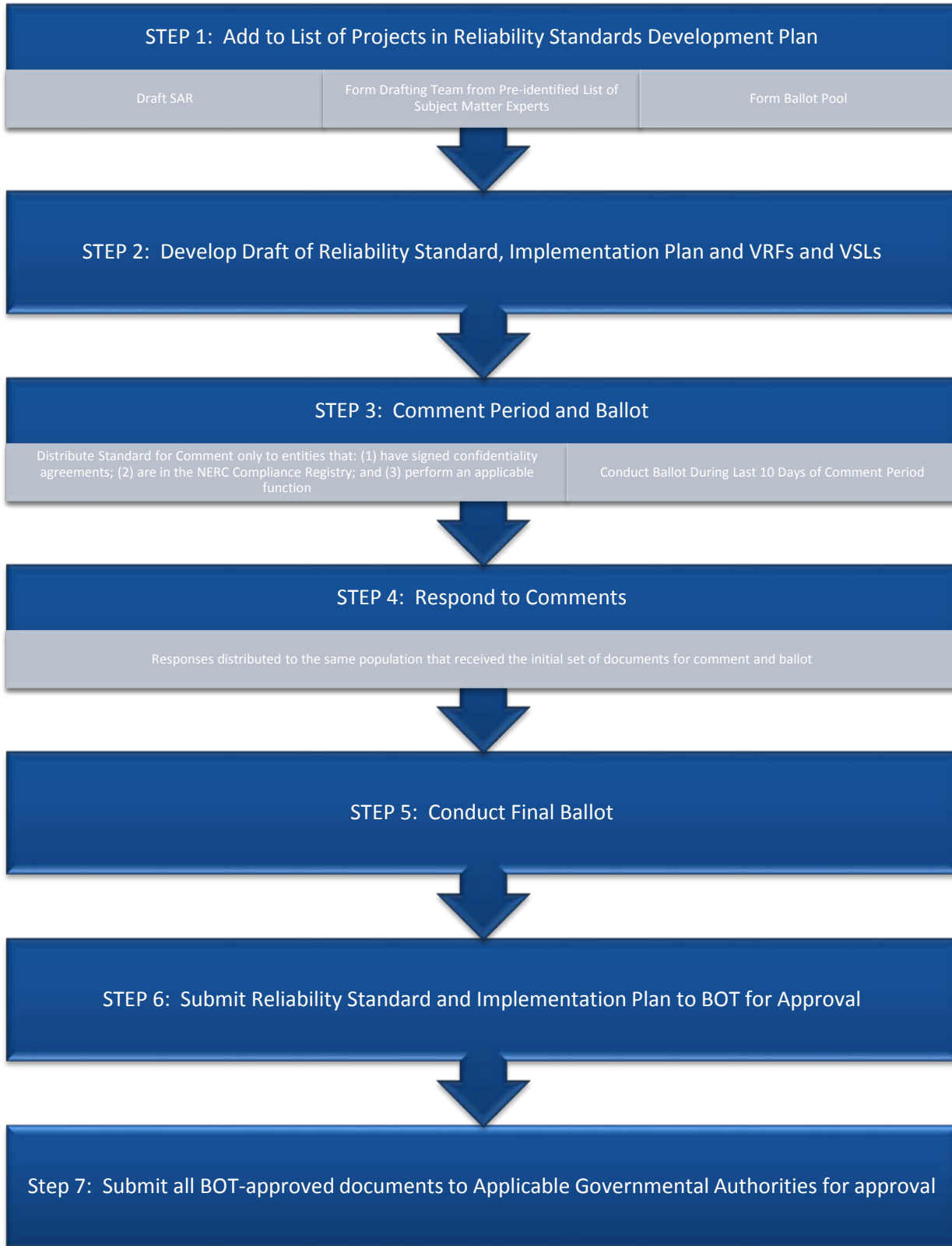


FIGURE 3: Process for Developing a Standard Responsive to an Imminent, Confidential Issue

## **10.8: Process for Developing Reliability Standards Responsive to Non-imminent, Confidential Issues**

If the NERC Board of Trustees directs the immediate development of a new or revised Reliability Standard to address a confidential national security emergency situation, the NERC Reliability Standards Staff shall develop a SAR, form a ballot pool (to vote on the Reliability Standard and its implementation plan) and assemble a slate of pre-defined subject matter experts as a proposed drafting team for approval by the Standards Committee's officers. All members of the Registered Ballot Body shall have the opportunity to join the ballot pool.

## **10.9: Drafting Team Selection**

The drafting team selection process shall be limited to just those candidates who have already been identified as having the appropriate security clearance, the requisite technical expertise, and either have signed or are willing to sign a strict confidentiality agreement.

## **10.10: Work of Drafting Team**

The drafting team shall perform all its work under strict security and confidentiality rules. The Reliability Standard drafting team shall develop the new or revised Reliability Standard and its implementation plan.

The drafting team shall review its work, to the extent practical, as it is being developed with officials from the Applicable Governmental Authorities, under strict security and confidentiality rules.

## **10.11: Formal Stakeholder Comment & Ballot Window**

The draft Reliability Standard and its implementation plan shall be distributed for a formal comment period, under strict confidentiality rules, only to those entities that are listed in the NERC Compliance Registry to perform one of the functions identified in the applicability section of the Reliability Standard and have identified individuals from their organizations that have signed confidentiality agreements with NERC.<sup>33</sup> At the same time, the Reliability Standard shall be distributed to the members of the ballot pool for review and ballot. The NERC Reliability Standards Staff shall not post or provide the ballot pool with any confidential background information.

## **10.12: Revisions to Reliability Standard, Implementation Plan and VRFs and VSLs**

The drafting team, working with the NERC Reliability Standards Staff, shall work to refine the Reliability Standard, implementation plan and VRFs and VSLs in the same manner as for a new Reliability Standard following the "normal" Reliability Standards development process described earlier in this manual with the exception that distribution of the comments, responses, and new drafts shall be limited to those entities that are in the ballot pool and those entities that are listed in the NERC Compliance Registry to perform one of the functions identified in the applicability section of the Reliability Standard and have identified individuals from their organizations that have signed confidentiality agreements with NERC.

## **10.13: Board of Trustee Action**

Each Reliability Standard, implementation plan, and the associated VRFs and VSLs developed through this process shall be submitted to the NERC Board of Trustees for adoption.

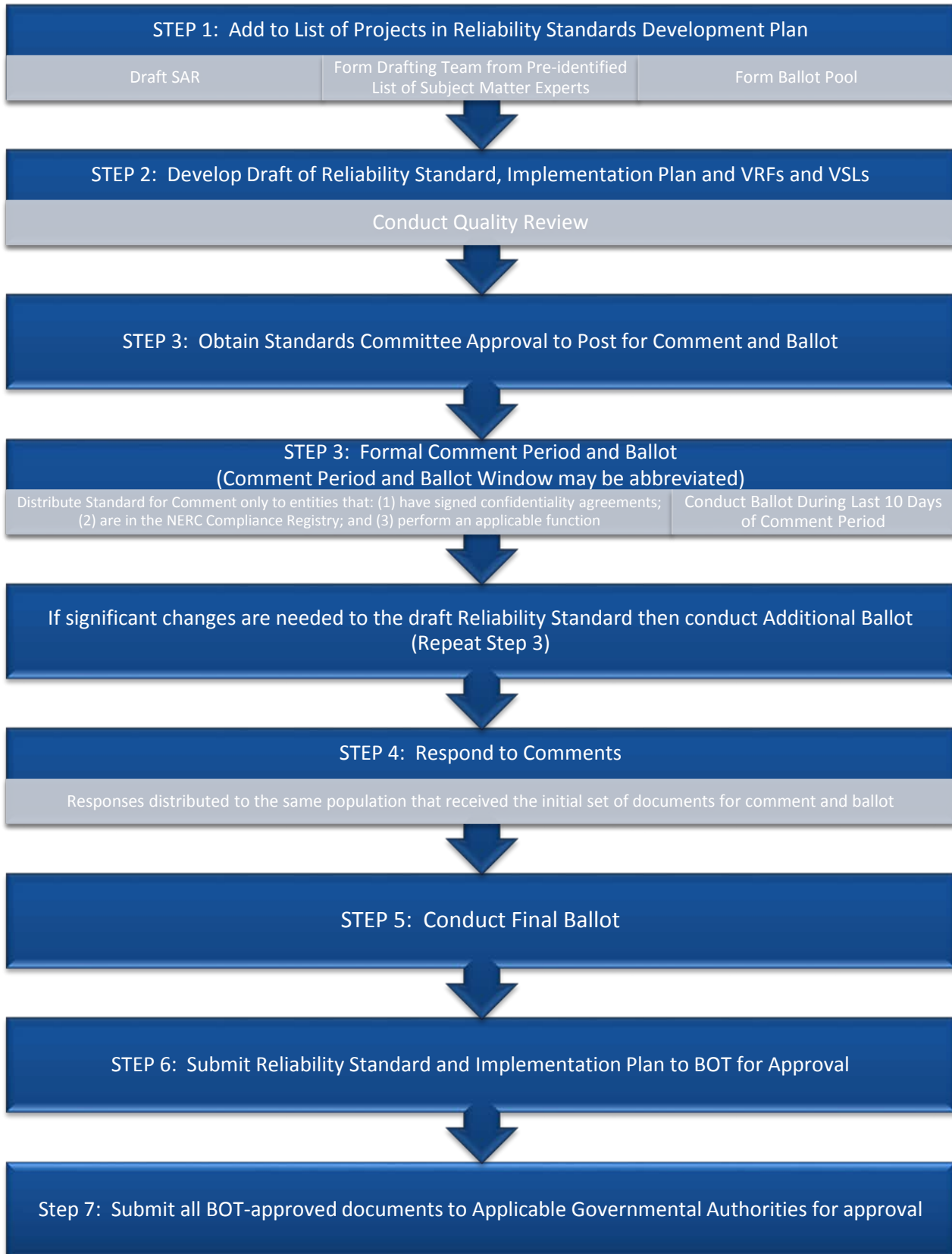
## **10.14: Governmental Approvals**

All BOT-approved documents shall be filed for approval with Applicable Governmental Authorities.

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<sup>33</sup> In this phase of the process, only the proposed Reliability Standard shall be distributed to those entities expected to comply, not the rationale and justification for the Reliability Standard. Only the special drafting team members, who have the appropriate security credentials, shall have access to this rationale and justification.

**Developing a Reliability Standard Responsive to a Non-imminent, Confidential Issue**



**FIGURE 4: Developing a Standard Responsive to a Non-Imminent, Confidential Issue**

# Section 11.0: Process for Posting Supporting Technical Documents Alongside an Approved Reliability Standard

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The NERC Standards Committee oversees the development and approval of technical documents identified as supporting documents to Reliability Standards approved by the Applicable Governmental Authority. Supporting technical documents may explain or facilitate understanding of Reliability Standards but do not themselves contain mandatory Requirements subject to compliance review. Any mandatory Requirements shall be incorporated into the Reliability Standard in the Reliability Standard development process. Documents that contain specific compliance approaches or examples are not considered supporting technical documents under this Section.

This Section provides the process by which any ~~stakeholder individual or entity~~ may propose a supporting technical document to an approved Reliability Standard. The process outlined in this section is designed so each supporting document receives stakeholder review to verify the accuracy of the technical content prior to being posted as a supporting technical document to an approved Reliability Standard.

During the standard development process, standard drafting teams may develop and post supporting technical documents to the pertinent project page, in accordance with Section 4.0. Following approval of the Reliability Standard, those documents may be posted alongside the standard without requiring separate Standards Committee authorization under this Section.

## 11.1: Types of Supporting Technical Documents

The types of supporting technical documents that may be approved for posting alongside an approved Reliability Standard under this Section are listed below.

Type of Document	Description
Reference	Descriptive, technical information, analysis or explanatory information to support the understanding of an approved Reliability Standard.
Lessons Learned	Documents designed to convey lessons learned related to an approved Reliability Standard. A Lessons Learned document cannot establish new Requirements or modify Requirements in any existing Reliability Standard.
White Paper	An informal paper stating a position or concept. A white paper may have been used to propose preliminary concepts for a Reliability Standard or a Reference document.

~~Documents that contain specific compliance approaches or examples are not considered supporting technical documents under this Section.~~

## 11.2: Process for Proposing and Evaluating Supporting Technical Documents

Proposals for supporting technical documents to approved Reliability Standards shall be submitted to the NERC Reliability Standards Staff.

NERC Staff shall conduct a review of the proposed supporting technical document. In performing this review, NERC Staff may consult any technical resources it deems appropriate. The purpose of this review is to determine whether the proposed supporting technical document meets the following criteria:

1. the document is a type of supporting technical document subject to this Section, as described in Section 11.1;
2. the document is consistent with the purpose and intent of the associated Reliability Standard; and
3. the document has received adequate stakeholder review to assess its technical adequacy, such as through a NERC technical committee review process, public comment period(s) held during the development of the associated Reliability Standard, or other stakeholder review process.

If NERC Staff determines that the proposed supporting technical document meets all three criteria specified above, NERC Staff shall submit the proposed supporting technical document to the Standards Committee as specified in Section 11.3 below.

If NERC Staff determines that the proposed supporting technical document does not meet the first or second criterion specified above, NERC Staff shall notify the submitter, in writing, that the document will not be **forwarded to the Standards Committee for ~~posted as~~ consideration to be posted as**—a supporting technical document under this Section. This notification shall include an explanation of the basis for the decision. NERC Staff shall also notify the Standards Committee of its determination at the next regularly-scheduled Standards Committee meeting.

If NERC Staff determines that the proposed supporting technical document meets the first and second criteria, but has not yet received adequate stakeholder review under the third criterion, NERC Staff shall make a recommendation to the Standards Committee to authorize posting the proposed supporting technical document for stakeholder review to verify the accuracy of the technical content. This **initial** comment period shall be for **3045** days, unless the Standards Committee directs otherwise. Upon conclusion of the comment period, NERC Staff shall compile the comments and provide them to the submitter for consideration. If the submitter modifies the proposed supporting technical document based on stakeholder comments, NERC Staff may post the document for additional comment periods to provide for sufficient technical review.

### **11.3: Approving a Supporting Technical Document**

After determining that the proposed supporting technical document meets the three criteria specified in Section 11.2, NERC Staff shall present the supporting technical document to the NERC Standards Committee with a recommendation regarding whether the Standards Committee should approve posting the supporting technical document with the approved Reliability Standard on the pertinent NERC website page(s).

## Section 12.0: Process for Correcting Errata

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From time to time, an error may be discovered in a Reliability Standard. Such errors may be corrected (i) following a Final Ballot prior to Board of Trustees adoption, (ii) following Board of Trustees adoption prior to filing with Applicable Governmental Authorities; and (iii) following filing with Applicable Governmental Authorities. If the Standards Committee agrees that the correction of the error does not change the scope or intent of the associated Reliability Standard, and agrees that the correction has no material impact on the end users of the Reliability Standard, then the correction shall be filed for approval with Applicable Governmental Authorities as appropriate. The NERC Board of Trustees has resolved to concurrently approve any errata approved by the Standards Committee.

## Section 13.0: Process for Conducting Periodic Reviews of Reliability Standards

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All Reliability Standards shall be reviewed at least once every ten years from the effective date of the Reliability Standard or the date of the latest Board of Trustees adoption to a revision of the Reliability Standard, whichever is later. If a Reliability Standard is approved by ANSI as an American National Standard, it shall be reviewed at least once every five years from the effective date of the Reliability Standard or the date of the latest Board of Trustees adoption to a revision of the Reliability Standard, whichever is later.

The *Reliability Standards Development Plan* shall include projects that address this five or ten-year review of Reliability Standards.

- If a Reliability Standard is nearing its five or ten-year review and has issues that need resolution, then the *Reliability Standards Development Plan* shall include a project for the complete review and associated revision of that Reliability Standard that includes addressing all outstanding governmental directives, all approved Interpretations, and all unresolved issues identified by stakeholders.
- If a Reliability Standard is nearing its five or ten-year review and there are no outstanding governmental directives, Interpretations, or unresolved stakeholder issues associated with that Reliability Standard, then the *Reliability Standards Development Plan* shall include a project solely for the periodic review of that Reliability Standard.

For a project that is focused solely on the periodic review, the Standards Committee shall appoint a review team of subject matter experts to review the Reliability Standard and recommend whether the Reliability Standard should be reaffirmed, revised, or withdrawn. Each review team shall post its recommendations for a 45-day formal stakeholder comment period and shall provide those stakeholder comments to the Standards Committee for consideration.

- If a review team recommends reaffirming a Reliability Standard, the Standards Committee shall submit the reaffirmation to the Board of Trustees for adoption and then to Applicable Governmental Authorities for approval. Reaffirmation does not require approval by stakeholder ballot.
- If a review team recommends modifying, or retiring a Reliability Standard, the team shall develop a SAR with such a proposal and the SAR shall be submitted to the Standards Committee for prioritization as a new project. Each existing Reliability Standard recommended for modification, or retirement shall remain in effect in accordance with the associated implementation plan until the action to modify or withdraw the Reliability Standard is approved by its ballot pool, adopted by the Board of Trustees, and approved by Applicable Governmental Authorities.

In the case of reaffirmation of a Reliability Standard, the Reliability Standard shall remain in effect until the next five or ten-year review or until the Reliability Standard is otherwise modified or withdrawn by a separate action.



## **Section 14.0: Public Access to Reliability Standards Information**

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### **14.1: Online Reliability Standards Information System**

The NERC Reliability Standards Staff shall maintain an electronic copy of information regarding currently proposed and currently in effect Reliability Standards. This information shall include current Reliability Standards in effect, proposed revisions to Reliability Standards, and proposed new Reliability 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.

### **14.2: Archived Reliability Standards Information**

The NERC Staff shall maintain a historical record of Reliability Standards information that is no longer maintained online. 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 Reliability Standard was no longer in effect. Archived records of Reliability Standards information shall be available electronically within 30 days following the receipt by the NERC Reliability Standards Staff of a written request.

## Section 15.0: Process for Updating Standard Processes

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### 15.1: Requests to Revise the Standard Processes Manual

Any person or entity may submit a request to modify one or more of the processes contained within this manual. The Standards Committee shall oversee the handling of each request. The Standards Committee shall prioritize all requests, merge related requests, and respond to each sponsor within 30 days.

The Standards Committee shall post the proposed revisions for a 45-day formal comment period. Based on the degree of consensus for the revisions, the Standards Committee shall:

- Submit the revised process or processes for ballot pool approval;
- Repeat the posting for additional inputs after making changes based on comments received;
- Remand the proposal to the sponsor for further work; or
- 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 Reliability Standard, including the use of an Additional 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 submit to the Board a description of the basis for the changes, a summary of the comments received, and any minority views expressed in the comment and ballot process. The proposed revisions shall not be effective until approved by the NERC Board of Trustees and Applicable Governmental Authorities.

## Section 16.0: Waiver

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While it is NERC's intent to use its ANSI-accredited Reliability Standards development process for developing its Reliability Standards, NERC may need to develop a new or modified Reliability Standard, definition, Variance, Interpretation, or implementation plan under specific time constraints (such as to meet a time constrained regulatory directive) or to meet an urgent reliability issue such that there isn't sufficient time to follow all the steps in the normal Reliability Standards development process.

The Standards Committee may waive any of the provisions contained in this manual for good cause shown, but limited to the following circumstances:

- In response to a national emergency declared by the United States or Canadian government that involves the reliability of the Bulk Electric System or cyber attack on the Bulk Electric System;
- Where necessary to meet regulatory deadlines;
- Where necessary to meet deadlines imposed by the NERC Board of Trustees; or
- Where the Standards Committee determines that a modification to a proposed Reliability Standard or its Requirement(s), a modification to a defined term, a modification to an ~~interpretation~~Interpretation, or a modification to a ~~variance~~Variance has already been vetted by the industry through the standards development process or is so insubstantial that developing the modification through the processes contained in this manual will add significant time delay.

In no circumstances shall this provision be used to modify the requirements for achieving quorum or the voting requirements for approval of a standard.

A waiver request may be submitted to the Standards Committee by any entity or individual, including NERC committees or subgroups and NERC Staff. Prior to consideration of any waiver request, the Standards Committee must provide five business days' notice to stakeholders.

Action on the waiver request will be included in the minutes of the Standards Committee. Actions taken pursuant to an approved waiver request will be posted on the Standard Project page and included in the next project announcement.

In addition, the Standards Committee shall report the exercise of this waiver provision to the Board of Trustees prior to adoption of the related Reliability Standard, Interpretation, definition or Variance.

Reliability Standards developed as a result of a waiver of any provision of the Standard Processes Manual shall not be filed with ANSI for approval as American National Standards.

# Standards Announcement

## Standard Processes Manual

### Appendix 3A to the NERC Rules of Procedure

Final Ballots Open through October 29, 2018

#### [Now Available](#)

A final ballot for the **Revisions to the NERC Standard Processes Manual (SPM)** is open through **8 p.m. Eastern, Monday, October 29, 2018.**

#### Balloting

In the final ballot, votes are counted by exception. Votes from the previous ballot are automatically carried over in the final ballot. Only members of the applicable ballot pools can cast a vote. Ballot pool members who previously voted have the option to change their vote in the final ballot. Ballot pool members who did not cast a vote during the previous ballot can vote in the final ballot.

Members of the ballot pool(s) associated with this project can log in and submit their votes by accessing the Standards Balloting & Commenting System (SBS) [here](#). If you experience issues navigating the SBS, contact [Nasheema Santos](#).

- *If you are having difficulty accessing the SBS due to a forgotten password, incorrect credential error messages, or system lock-out, contact NERC IT support directly at <https://support.nerc.net/> (Monday – Friday, 8 a.m. - 5 p.m. Eastern).*
- *Passwords expire every **6 months** and must be reset.*
- *The SBS **is not** supported for use on mobile devices.*
- *Please be mindful of ballot and comment period closing dates. We ask to **allow at least 48 hours** for NERC support staff to assist with inquiries. Therefore, it is recommended that users try logging into their SBS accounts **prior to the last day** of a comment/ballot period.*

#### Next Steps

The voting results will be posted and announced after the ballot closes. If approved, the SPM will be submitted to the Board of Trustees for adoption and then filed with the appropriate regulatory authorities.

#### Standards Development Process

For more information on the Standards Development Process, refer to the [Standard Processes Manual](#).

For more information or assistance, contact Manager of Standards Information, [Chris Larson](#) (via email), or (404) 446-9708.

North American Electric Reliability Corporation  
3353 Peachtree Rd, NE  
Suite 600, North Tower  
Atlanta, GA 30326  
404-446-2560 | [www.nerc.com](http://www.nerc.com)

## BALLOT RESULTS

**Ballot Name:** NERC Standard Processes Manual Sections 2.1, 3.7, 6, 7, 8 & 11 FN 3 OT

**Voting Start Date:** 10/17/2018 1:24:23 PM

**Voting End Date:** 10/29/2018 8:00:00 PM

**Ballot Type:** OT

**Ballot Activity:** FN

**Ballot Series:** 3

**Total # Votes:** 153

**Total Ballot Pool:** 178

**Quorum:** 85.96

**Weighted Segment Value:** 81.61

Segment	Ballot Pool	Segment Weight	Affirmative Votes	Affirmative Fraction	Negative Votes w/ Comment	Negative Fraction w/ Comment	Negative Votes w/o Comment	Abstain	No Vote
Segment: 1	46	1	31	0.886	4	0.114	0	5	6
Segment: 2	4	0.2	2	0.2	0	0	0	1	1
Segment: 3	38	1	23	0.793	6	0.207	0	6	3
Segment: 4	13	0.7	4	0.4	3	0.3	0	3	3
Segment: 5	38	1	24	0.889	3	0.111	0	6	5
Segment: 6	30	1	13	0.684	6	0.316	0	5	6
Segment: 7	0	0	0	0	0	0	0	0	0
Segment: 8	2	0.1	1	0.1	0	0	0	0	1
Segment: 9	0	0	0	0	0	0	0	0	0
Segment: 10	7	0.7	7	0.7	0	0	0	0	0

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Segment	Ballot Pool	Segment Weight	Affirmative Votes	Affirmative Fraction	Negative Votes w/ Comment	Negative Fraction w/ Comment	Negative Votes w/o Comment	Abstain	No Vote
Totals:	178	5.7	105	4.652	22	1.048	0	26	25

### BALLOT POOL MEMBERS

Show   entries

Search:

Segment	Organization	Voter	Designated Proxy	Ballot	NERC Memo
1	AEP - AEP Service Corporation	Dennis Sauriol		Negative	N/A
1	Ameren - Ameren Services	Eric Scott		Affirmative	N/A
1	American Transmission Company, LLC	Douglas Johnson		Affirmative	N/A
1	APS - Arizona Public Service Co.	Michelle Amarantos		Affirmative	N/A
1	Associated Electric Cooperative, Inc.	Ryan Ziegler		Affirmative	N/A
1	Austin Energy	Thomas Standifur		None	N/A
1	Balancing Authority of Northern California	Kevin Smith	Joe Tarantino	Abstain	N/A
1	Berkshire Hathaway Energy - MidAmerican Energy Co.	Terry Harbour		Affirmative	N/A
1	Black Hills Corporation	Wes Wingen		Affirmative	N/A
1	Bonneville Power Administration	Kammy Rogers-Holliday		Affirmative	N/A
1	City Utilities of Springfield, Missouri	Michael Buyce		Affirmative	N/A
1	Cleco Corporation	John Lindsey	Louis Guidry	Affirmative	N/A

Segment	Organization	Voter	Designated Proxy	Ballot	NERC Memo
1	Con Ed - Consolidated Edison Co. of New York	Dermot Smyth		Affirmative	N/A
1	Duke Energy	Laura Lee		Affirmative	N/A
1	Edison International - Southern California Edison Company	Steven Mavis		Affirmative	N/A
1	Entergy - Entergy Services, Inc.	Oliver Burke		Affirmative	N/A
1	Eversource Energy	Quintin Lee		Affirmative	N/A
1	Exelon	Chris Scanlon		Affirmative	N/A
1	FirstEnergy - FirstEnergy Corporation	Julie Severino		None	N/A
1	Great Plains Energy - Kansas City Power and Light Co.	James McBee	Douglas Webb	Affirmative	N/A
1	Hydro One Networks, Inc.	Payam Farahbakhsh		None	N/A
1	Hydro-Québec TransEnergie	Nicolas Turcotte		Affirmative	N/A
1	Imperial Irrigation District	Jesus Sammy Alcaraz		None	N/A
1	International Transmission Company Holdings Corporation	Michael Moltane	Allie Gavin	Abstain	N/A
1	Lakeland Electric	Larry Watt		None	N/A
1	Long Island Power Authority	Robert Ganley		Affirmative	N/A
1	Los Angeles Department of Water and Power	faranak sarbaz		Affirmative	N/A
1	LS Power Transmission, LLC	John Seelke		Negative	N/A
1	Manitoba Hydro	Mike Smith		Abstain	N/A
1	National Grid USA	Michael Jones		Affirmative	N/A
1	Nebraska Public Power District	Jamison Cawley		Affirmative	N/A

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Segment	Organization	Voter	Designated Proxy	Ballot	NERC Memo
1	New York Power Authority	Salvatore Spagnolo		Affirmative	N/A
1	OGE Energy - Oklahoma Gas and Electric Co.	Terri Pyle		None	N/A
1	Peak Reliability	Scott Downey		Affirmative	N/A
1	Portland General Electric Co.	Nathaniel Clague		Negative	N/A
1	PPL Electric Utilities Corporation	Brenda Truhe		Affirmative	N/A
1	PSEG - Public Service Electric and Gas Co.	Joseph Smith		Affirmative	N/A
1	Sacramento Municipal Utility District	Arthur Starkovich	Joe Tarantino	Abstain	N/A
1	Santee Cooper	Chris Wagner		Abstain	N/A
1	Southern Company - Southern Company Services, Inc.	Katherine Prewitt		Affirmative	N/A
1	Sunflower Electric Power Corporation	Paul Mehlhaff		Affirmative	N/A
1	Tacoma Public Utilities (Tacoma, WA)	John Merrell		Affirmative	N/A
1	Tennessee Valley Authority	Gabe Kurtz		Negative	N/A
1	Tri-State G and T Association, Inc.	Tracy Sliman		Affirmative	N/A
1	U.S. Bureau of Reclamation	Richard Jackson		Affirmative	N/A
1	Western Area Power Administration	sean erickson		Affirmative	N/A
2	Electric Reliability Council of Texas, Inc.	Brandon Gleason		Abstain	N/A
2	New York Independent System Operator	Gregory Campoli		None	N/A
2	PJM Interconnection, L.L.C.	Mark Holman		Affirmative	N/A
2	Southwest Power Pool, Inc. (RTO)	Charles Yeung		Affirmative	N/A

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Segment	Organization	Voter	Designated Proxy	Ballot	NERC Memo
3	AEP	Leanna Lamatrice		Negative	N/A
3	Ameren - Ameren Services	David Jendras		Affirmative	N/A
3	APS - Arizona Public Service Co.	Vivian Vo		Affirmative	N/A
3	Associated Electric Cooperative, Inc.	Todd Bennett		Affirmative	N/A
3	Austin Energy	W. Dwayne Preston		Affirmative	N/A
3	Bonneville Power Administration	Rebecca Berdahl		Affirmative	N/A
3	Cleco Corporation	Michelle Corley	Louis Guidry	Affirmative	N/A
3	Con Ed - Consolidated Edison Co. of New York	Peter Yost		Affirmative	N/A
3	Dominion - Dominion Resources, Inc.	Connie Lowe		Abstain	N/A
3	DTE Energy - Detroit Edison Company	Karie Barczak		Affirmative	N/A
3	Duke Energy	Lee Schuster		Affirmative	N/A
3	Edison International - Southern California Edison Company	Romel Aquino		Affirmative	N/A
3	Eversource Energy	Sharon Flannery		Affirmative	N/A
3	Exelon	John Bee		Affirmative	N/A
3	FirstEnergy - FirstEnergy Corporation	Aaron Ghodooshim		None	N/A
3	Florida Municipal Power Agency	Joe McKinney		Negative	N/A
3	Gainesville Regional Utilities	Ken Simmons	Brandon McCormick	Negative	N/A
3	Georgia System Operations Corporation	Scott McGough		Affirmative	N/A
3	Great Plains Energy - Kansas City Power and Light Co.	John Carlson	Douglas Webb	Affirmative	N/A

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Segment	Organization	Voter	Designated Proxy	Ballot	NERC Memo
3	Hydro One Networks, Inc.	Paul Malozewski		None	N/A
3	Manitoba Hydro	Karim Abdel-Hadi		Abstain	N/A
3	National Grid USA	Brian Shanahan		Affirmative	N/A
3	Nebraska Public Power District	Tony Eddleman		Affirmative	N/A
3	Ocala Utility Services	Neville Bowen	Brandon McCormick	Negative	N/A
3	OGE Energy - Oklahoma Gas and Electric Co.	Donald Hargrove		Abstain	N/A
3	Owensboro Municipal Utilities	Thomas Lyons		Affirmative	N/A
3	Platte River Power Authority	Jeff Landis		Affirmative	N/A
3	Portland General Electric Co.	Angela Gaines		Negative	N/A
3	PPL - Louisville Gas and Electric Co.	Charles Freibert		Affirmative	N/A
3	PSEG - Public Service Electric and Gas Co.	James Meyer		Affirmative	N/A
3	Puget Sound Energy, Inc.	Tim Womack		Abstain	N/A
3	Sacramento Municipal Utility District	Nicole Looney	Joe Tarantino	Abstain	N/A
3	Santee Cooper	James Poston		Abstain	N/A
3	Southern Company - Alabama Power Company	Joel Dembowski		Affirmative	N/A
3	Tacoma Public Utilities (Tacoma, WA)	Marc Donaldson		Affirmative	N/A
3	Tallahassee Electric (City of Tallahassee, FL)	John Williams		None	N/A
3	Tennessee Valley Authority	Ian Grant		Negative	N/A
3	WEC Energy Group, Inc.	Thomas Breene		Affirmative	N/A
4	Alliant Energy Corporation Services, Inc.	Larry Heckert		Affirmative	N/A
4	Austin Energy	Esther Weekes		None	N/A

Segment	Organization	Voter	Designated Proxy	Ballot	NERC Memo
4	City of Clewiston	Lynne Mila		None	N/A
4	FirstEnergy - FirstEnergy Corporation	Aubrey Short		None	N/A
4	Florida Municipal Power Agency	Carol Chinn		Negative	N/A
4	Georgia System Operations Corporation	Andrea Barclay		Affirmative	N/A
4	Illinois Municipal Electric Agency	Mary Ann Todd		Abstain	N/A
4	Keys Energy Services	Jeffrey Partington	Brandon McCormick	Negative	N/A
4	MGE Energy - Madison Gas and Electric Co.	Joseph DePoorter		Affirmative	N/A
4	Sacramento Municipal Utility District	Beth Tincher	Joe Tarantino	Abstain	N/A
4	Seminole Electric Cooperative, Inc.	Charles Wubbena		Negative	N/A
4	Tacoma Public Utilities (Tacoma, WA)	Hien Ho		Affirmative	N/A
4	Utility Services, Inc.	Brian Evans-Mongeon		Abstain	N/A
5	AEP	Thomas Foltz		Negative	N/A
5	Ameren - Ameren Missouri	Sam Dwyer		Affirmative	N/A
5	APS - Arizona Public Service Co.	Kelsi Rigby		Affirmative	N/A
5	Austin Energy	Shirley Mathew		None	N/A
5	Black Hills Corporation	George Tatar		Affirmative	N/A
5	Bonneville Power Administration	Scott Winner		Affirmative	N/A
5	Brazos Electric Power Cooperative, Inc.	Shari Heino		Affirmative	N/A
5	Choctaw Generation Limited Partnership, LLLP	Rob Watson		Affirmative	N/A

Segment	Organization	Voter	Designated Proxy	Ballot	NERC Memo
5	Cleco Corporation	Stephanie Huffman	Louis Guidry	Affirmative	N/A
5	Con Ed - Consolidated Edison Co. of New York	William Winters	Alyson Slanover	Affirmative	N/A
5	Dominion - Dominion Resources, Inc.	Lou Oberski		Abstain	N/A
5	DTE Energy - Detroit Edison Company	Jeffrey DePriest		Affirmative	N/A
5	Duke Energy	Dale Goodwine		Affirmative	N/A
5	Edison International - Southern California Edison Company	Selene Willis		Affirmative	N/A
5	Exelon	Ruth Miller		Affirmative	N/A
5	FirstEnergy - FirstEnergy Solutions	Robert Loy		None	N/A
5	Florida Municipal Power Agency	Chris Gowder		Negative	N/A
5	Great Plains Energy - Kansas City Power and Light Co.	Harold Wyble	Douglas Webb	Affirmative	N/A
5	Great River Energy	Preston Walsh		Affirmative	N/A
5	Lakeland Electric	Jim Howard		None	N/A
5	Los Angeles Department of Water and Power	Glenn Barry		Affirmative	N/A
5	Lower Colorado River Authority	Teresa Cantwell		Affirmative	N/A
5	Manitoba Hydro	Yuguang Xiao		Abstain	N/A
5	Massachusetts Municipal Wholesale Electric Company	David Gordon		Abstain	N/A
5	Nebraska Public Power District	Don Schmit		Affirmative	N/A
5	NiSource - Northern Indiana Public Service Co.	Kathryn Tackett		Affirmative	N/A

Segment	Organization	Voter	Designated Proxy	Ballot	NERC Memo
5	OGE Energy - Oklahoma Gas and Electric Co.	John Rhea		None	N/A
5	Ontario Power Generation Inc.	Constantin Chitescu		Affirmative	N/A
5	Platte River Power Authority	Tyson Archie		None	N/A
5	Portland General Electric Co.	Ryan Olson		Negative	N/A
5	PPL - Louisville Gas and Electric Co.	JULIE HOSTRANDER		Affirmative	N/A
5	Puget Sound Energy, Inc.	Eleanor Ewry		Abstain	N/A
5	Sacramento Municipal Utility District	Susan Oto	Joe Tarantino	Abstain	N/A
5	Santee Cooper	Tommy Curtis		Abstain	N/A
5	Southern Company - Southern Company Generation	William D. Shultz		Affirmative	N/A
5	U.S. Bureau of Reclamation	Wendy Center		Affirmative	N/A
5	WEC Energy Group, Inc.	Linda Horn		Affirmative	N/A
5	Xcel Energy, Inc.	Gerry Huitt	Amy Casuscelli	Affirmative	N/A
6	AEP - AEP Marketing	Yee Chou		Negative	N/A
6	APS - Arizona Public Service Co.	Nicholas Kirby		Affirmative	N/A
6	Austin Energy	Andrew Gallo		Affirmative	N/A
6	Berkshire Hathaway - PacifiCorp	Sandra Shaffer		None	N/A
6	Black Hills Corporation	Eric Scherr		None	N/A
6	Bonneville Power Administration	Andrew Meyers		Affirmative	N/A
6	Cleco Corporation	Robert Hirschak	Louis Guidry	Affirmative	N/A
6	Con Ed - Consolidated Edison Co. of New York	Christopher Overberg		Affirmative	N/A
6	Dominion - Dominion Resources, Inc.	Sean Bodkin		Abstain	N/A

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Segment	Organization	Voter	Designated Proxy	Ballot	NERC Memo
6	Duke Energy	Greg Cecil		None	N/A
6	Edison International - Southern California Edison Company	Kenya Streeter		None	N/A
6	Entergy	Julie Hall		Affirmative	N/A
6	Exelon	Becky Webb		Affirmative	N/A
6	FirstEnergy - FirstEnergy Solutions	Ann Ivanc		None	N/A
6	Florida Municipal Power Agency	Richard Montgomery		Negative	N/A
6	Florida Municipal Power Pool	Tom Reedy	Brandon McCormick	Negative	N/A
6	Great Plains Energy - Kansas City Power and Light Co.	Jennifer Flandermeyer	Douglas Webb	Affirmative	N/A
6	Los Angeles Department of Water and Power	Anton Vu		Affirmative	N/A
6	Manitoba Hydro	Blair Mukanik		Abstain	N/A
6	OGE Energy - Oklahoma Gas and Electric Co.	Sing Tay		Abstain	N/A
6	Portland General Electric Co.	Daniel Mason		Negative	N/A
6	PPL - Louisville Gas and Electric Co.	Linn Oelker		Affirmative	N/A
6	PSEG - PSEG Energy Resources and Trade LLC	Karla Barton		Affirmative	N/A
6	Public Utility District No. 2 of Grant County, Washington	LeRoy Patterson		Negative	N/A
6	Sacramento Municipal Utility District	Jamie Cutlip	Joe Tarantino	Abstain	N/A
6	Santee Cooper	Michael Brown		Abstain	N/A
6	Seminole Electric Cooperative, Inc.	Trudy Novak		Negative	N/A

Segment	Organization	Voter	Designated Proxy	Ballot	NERC Memo
6	Southern Company - Southern Company Generation and Energy Marketing	Jennifer Sykes		Affirmative	N/A
6	Tennessee Valley Authority	Marjorie Parsons		Affirmative	N/A
6	WEC Energy Group, Inc.	David Hathaway		None	N/A
8	David Kiguel	David Kiguel		Affirmative	N/A
8	Massachusetts Attorney General	Frederick Plett		None	N/A
10	Florida Reliability Coordinating Council	Peter Heidrich		Affirmative	N/A
10	Midwest Reliability Organization	Russel Mountjoy		Affirmative	N/A
10	New York State Reliability Council	ALAN ADAMSON		Affirmative	N/A
10	ReliabilityFirst	Anthony Jablonski		Affirmative	N/A
10	SERC Reliability Corporation	Drew Slabaugh		Affirmative	N/A
10	Texas Reliability Entity, Inc.	Rachel Coyne		Affirmative	N/A
10	Western Electricity Coordinating Council	Steven Rueckert		Affirmative	N/A

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