

July 18, 2013

Sara McCoy
Director, Electric Reliability Compliance
Salt River Project
Mail Station POB300
P.O. Box 52025
Phoenix, AZ 85072-2025

Via Electronic Mail

Dear Ms. McCoy:

Thank you for submitting a Standards Authorization Request (SAR) entitled "Cold Weather Preparations" for consideration by the Standards Committee. The purpose of this letter is to serve as the written explanation, as required by the Standard Processes Manual, on why the SAR was rejected. This explanation will also be posted on the NERC website on the [SAR project page](#).

On September 13, 2012, the Standards Committee authorized the posting of the SAR for comment. It also authorized the formation of a Cold Weather SAR Drafting Team (SAR Team) to provide the Standards Committee with a recommendation on whether or not to proceed from the SAR to a Reliability Standard. On October 24, 2012, the SAR Team received stakeholder comments, many of which argued against proceeding to a Reliability Standard. These comments included a submission from the Reliability Issues Steering Committee (RISC) recommending that NERC not proceed with a Reliability Standard.

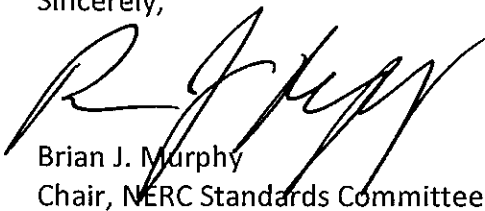
Further, on March 6, 2013, the Operating Committee approved a detailed Reliability Guideline titled "*Generating Unit Winter Weather Readiness*" to address the subject matter raised in the SAR, and on March 7, 2013, the Standards Committee received a presentation from the Operating Committee on this Guideline. On June 5, 2013, based on the recommendation of the SAR Team (see attached) – which included consideration of stakeholder comments generally against proceeding to a Reliability Standard, RISC's recommendation and the Operating Committee's Reliability Guideline on this issue – the Standards Committee rejected the SAR.

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While the implementation of an Operating Committee approved Reliability Guideline appears to not be the outcome you sought, I believe that this is the most appropriate way forward given the input we received. That said, I want to thank you for pursuing a SAR, which laid the groundwork for NERC to consider the most appropriate way to address this reliability consideration.

If you have any questions, please do not hesitate to contact me.

Sincerely,



Brian J. Murphy
Chair, NERC Standards Committee

cc: Mr. Ed Schnell, SAR Team Chair
Ms. Chris Schwab, NERC RISC Chair
Mr. Ben Crisp, NERC Planning Committee Chair
Mr. Jim Castle, NERC Operating Committee Chair
Mr. Mark Lauby, NERC Vice President and Director Standards

Project 2013-01 Cold Weather Preparedness SAR Recommendation and Lessons Learned

Action

Approve the rejection of the Standard Authorization Request (SAR) with a written explanation to the sponsor to be posted on the NERC website under the SAR project page.

Background

A SAR to address Cold Weather Winterization was accepted for posting by the Committee at its meeting on September 13, 2012. The Standards Committee also authorized the formation of a Cold Weather Preparedness SAR Drafting Team (Team) to respond to comments and make a recommendation on whether or not to proceed from the SAR to a Reliability Standard. The SAR Drafting Team held numerous conference calls, face-to-face meetings, and participated in significant outreach with industry and regulatory stakeholders. On March 20, 2013, the SAR Drafting Team conducted an industry webinar that attracted more than 200 participants. At that time, the SAR Drafting Team used the webinar to refine a revised SAR, which was ready to be issued to the industry for comments in early April. A copy of the last draft of the proposed revised SAR is attached for informational purposes only.

On April 2, 2013, NERC staff informed the SAR Drafting Team that the Reliability Issues Steering Committee (RISC) and Operating Committee (OC) recommended to NERC staff that the SAR should not proceed. The SAR Drafting Team understands that these committees believe the root cause of the 2011 Southwest Cold Weather event to be “not sharing institutional knowledge and business practices.” Therefore, the RISC and OC believe the OC Reliability Guideline - *Generating Unit Winter Weather Readiness* should serve as the basis to address the issue. This recommendation was provided to the SAR Drafting Team as the SAR was being revised to eliminate a gap in EOP-001 – Emergency Operations Planning and after the SAR Drafting Team conducted the industry webinar. The SAR Drafting Team also recognizes that the prevailing opinion of the industry is that this SAR should not proceed.

Given this recent turn of events, the SAR Drafting Team recognizes that the Operating Committee approved its Reliability Guideline - *Generating Unit Winter Weather Readiness* on March 5, 2013, and believes that the original SAR should be suspended to allow this guideline to be applied and assist entities in preparing for cold weather. The OC Reliability Guideline is expected to be utilized by Generator Owners to develop or enhance their extreme winter weather preparation plans. The SAR Drafting Team understands that the OC Reliability Guideline will be:

- Reviewed annually for effectiveness
- Updated as necessary
- Communicated annually via NERC announcements and webinars

In summary, the SAR Drafting Team recommends rejection of the SAR by the Standards Committee. The activities of the Cold Weather Preparedness SAR Drafting Team will conclude upon acceptance of this recommendation by the Standards Committee.

The members of the SAR Drafting Team are listed below. The Team will meet with PMOS in the near future to provide it with lessons learned that the Team has been identified.

SAR Drafting Team		
	Participant	Entity
Chair	Ed Schnell	American Electric Power
Member	Matt Averett	Southern Company
Member	Jason Fisher	Minnesota Power
Member	Mike Gentry	Salt River Project
Member	Kevin Lynch	PSEG Power Fossil LLC