

Consideration of Comments

Standard Processes Manual Revisions to Implement SPIG Recommendations

The Standard Processes Manual (SPM) Drafting Team thanks all commenters who submitted comments on the SPM revisions. These SPM revisions were posted for a 45-day public comment period from August 29, 2012 through October 12, 2012. Stakeholders were asked to provide feedback on the revisions and associated documents through a special electronic comment form. There were 67 sets of comments, including comments from approximately 160 different people from approximately 122 companies representing all 10 Industry Segments as shown in the table on the following pages.

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

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

¹ The appeals process is in the Standard Processes Manual: http://www.nerc.com/files/Appendix_3A_StandardsProcessesManual_20120131.pdf

Index to Questions, Comments, and Responses

1. In response to stakeholder feedback about changes to the commenting process, the SCPS clarified that all written comments received via informal feedback will be posted and that while drafting teams are not required to provide a written response to each individual comment received, the teams are encouraged to post a summary response that identifies how it used comments submitted by stakeholders (addressed in section 4.5). The SCPS revised sections 4.12 and 4.13 to clarify the requirements to consider and respond to all written comments.....16
2. In the first posted draft of the SPM, the SCPS proposed handling ‘no’ votes without comments or with unrelated comments in the way that ANSI recommends – by counting those votes toward quorum but not toward the calculation of consensus, with a detailed evaluation for determining whether a comment is relevant. With this proposed change, the SCPS was trying to encourage stakeholders to only submit the kind of constructive comments that help standard drafting teams improve the standard and reach technical consensus. Based on the comments received, the SPM has re-examined this issue and determined that the approach for evaluating the relevance of comments requires additional clarification, so it has eliminated the process for reviewing the relevance of comments from the proposed revisions. However, the SCPS has retained the concept of including ‘no’ ballots that are not accompanied by comments in the calculation of quorum, but not being counted in the calculation of consensus. Do you support this modified proposal for handling ‘no’ votes?.....42
3. Many stakeholders supported the SCPS’s proposal to move measures from standards into Reliability Standards Audit Worksheets (RSAWs), as in most cases, measures included in standards are little more than a repeat of the requirement (offering little value to registered entities and compliance auditors). Under the proposed new process, measures will indeed be moved from standards to RSAWs, and the standard drafting team and compliance staff will collaborate to develop the RSAW alongside the standard to ensure consistency from early on in the standards project. As proposed in the first posting, the RSAW will then be posted alongside the standard during the final 45-day comment period, and the RSAW will be subject to a non-binding poll and ultimately presented to NERC’s BOT for information. This process is already being piloted, and lessons learned during the pilot will be applied if this proposed process continues. Do you support the proposal to move measures to RSAWs and have drafting teams and compliance staff collaborate on RSAW development, as proposed in the first posting and again in the latest posted revisions to the SPM?.....57
4. In the first posted revisions to the SPM, the SCPS proposed eliminating Violation Risk Factors (VRFs) and the Violation Severity Levels (VSLs) to address several issues identified in the SPIG recommendations. Based on the majority of the comments received, the SCPS has re-examined the proposed revisions and concluded that certain aspects of the proposal require additional

clarification. Therefore, the proposed revisions to eliminate the VRFs and VSLs will be removed from the next draft of the SPM. The VRFs and VSLs will continue to be drafted by the SDT and a non-binding poll will continue to be conducted per the SPM. The SCPS will continue to develop concepts in response to the SPIG recommendations to ease the burden on the drafting teams and shorten development time frames associated with standard development projects – including strategies for eliminating VRFs and VSLs while maintaining the ERO’s focus on the potential risk to the reliability of the BES. Do you support the continued use of VRFs and VSLs as the SCPS works towards a more effective solution for eliminating them from the standards process?.....45

5. Section 7.0 of the SPM, which concerns interpretations, was revised to ensure that stakeholders have a common understanding of what aspects of a standard may be addressed by an interpretation. Only requirements require technical expertise to interpret, and those kinds of interpretations thus require the traditional utilization of a drafting team. Other less technical questions, like a concern about an effective date, do not require the formation of a drafting team and ballot pool and all the associated processing. The SCPS does want to provide stakeholders the ability to maintain control over how interpretations are developed, but the interpretation process in its entirety can lead to large volumes of work and the delay of processing high-priority standards projects. With the revisions proposed in the posted SPM, the SC aims to increase transparency about the handling of interpretations, with the goal of reducing the number of rejected interpretations and ultimately decreasing the interpretation-related burden on drafting teams and stakeholders. Do you agree that this clarification on the use of interpretations will be useful?.....54
6. In the first posted revisions to the SPM, the SCPS proposed the addition of section 16.0, which introduced a waiver provision to allow the SC some flexibility in administering the standards process to meet reliability needs. In other words, the waiver process allows the SC to modify the standards process in rare cases for good cause. Many stakeholders were concerned about this addition, but the SCPS continues to believe that a waiver provision is essential for giving the SC, and thus the industry, the ability to act expeditiously when necessary for reliability (e.g., in responding to regulatory directives in a timely manner). The waiver provision would not give the SC unilateral power in modifying the process, but would require a presentation to the BOT explaining the need for the use of waiver. It could only be utilized if the BOT supported the explanation for the need of the waiver. With this additional clarification, can you support the addition of the waiver provision in section 16.0?.....107
7. If you have any other comments on these proposed revisions that you haven’t already mentioned above, please provide them here.....84

The Industry Segments are:

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

| Group/Individual | | Commenter | Organization | Registered Ballot Body Segment | | | | | | | | | |
|--------------------------|------------------|---|--------------|---|---|---|---|---|---|---|---|---|----|
| | | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 1. | Group | Randi Heise | Dominion | X | | X | | X | X | | | | |
| Additional Member | | | | Additional Organization Region Segment Selection | | | | | | | | | |
| 1. | Mike | Garton | NPCC | 5, 6 | | | | | | | | | |
| 2. | Michael | Crowley | SERC | 1, 5, 6 | | | | | | | | | |
| 3. | Louis | Slade | RFC | 5, 6 | | | | | | | | | |
| 4. | Connie | Lowe | MRO | 5, 6 | | | | | | | | | |
| 2. | Group | Guy Zito | NPCC | | | | | | | | | | X |
| Additional Member | | | | Additional Organization Region Segment Selection | | | | | | | | | |
| 1. | Alan Adamson | New York State Reliability Council,LLC | NPCC | 10 | | | | | | | | | |
| 2. | Carmen Agariloai | Independent Electricity System Operator | NPCC | 2 | | | | | | | | | |
| 3. | Gregory Campoli | New York Independent System Operator | NPCC | 2 | | | | | | | | | |

| Group/Individual | Commenter | Organization | Registered Ballot Body Segment | | | | | | | | | | | | | | | | | |
|---|------------------------|-----------------------------------|--------------------------------|------------|---|---|---|---|---|---|---|----|--|--|--|--|--|--|--|--|
| | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | | | | | | | | |
| 4. | Sylvain Clermont | Hydro Quebec Trans Energie | NPCC | 1 | | | | | | | | | | | | | | | | |
| 5. | Chris De Graffenried | Consolidated Edison Co. of NY | NPCC | 1 | | | | | | | | | | | | | | | | |
| 6. | Gerry Dunbar | NPCC | NPCC | 10 | | | | | | | | | | | | | | | | |
| 7. | Kathleen Goodman | ISO-New England | NPCC | 2 | | | | | | | | | | | | | | | | |
| 8. | Michael Jones | National Grid | NPCC | 1 | | | | | | | | | | | | | | | | |
| 9. | David Kiguel | Hydro One Networks Inc. | NPCC | 1 | | | | | | | | | | | | | | | | |
| 10. | Michael Lombardi | Northeast Utilities | NPCC | 1 | | | | | | | | | | | | | | | | |
| 11. | Randy Mac Donald | New Brunswick Power Transmission | NPCC | 9 | | | | | | | | | | | | | | | | |
| 12. | Bruce Metruck | New York State Power Authority | NPCC | 6 | | | | | | | | | | | | | | | | |
| 13. | Silvia Parada Mitchell | Next Era Energy | NPCC | 5 | | | | | | | | | | | | | | | | |
| 14. | Lee Pedowicz | NPCC | NPCC | 10 | | | | | | | | | | | | | | | | |
| 15. | Robert Pellegrini | The United Illuminating Company | NPCC | 1 | | | | | | | | | | | | | | | | |
| 16. | Si Truc Phan | Hydro Quebec TransEnergie | NPCC | 1 | | | | | | | | | | | | | | | | |
| 17. | David Ramkalawan | Ontario Power Generation | NPCC | 5 | | | | | | | | | | | | | | | | |
| 18. | Brian Robinson | Utility Services | NPCC | 8 | | | | | | | | | | | | | | | | |
| 19. | Michael Schiavone | National Grid | NPCC | 1 | | | | | | | | | | | | | | | | |
| 20. | Wayne Sipperly | New York Power Authority | NPCC | 5 | | | | | | | | | | | | | | | | |
| 21. | Donald Weaver | New Brunswick System Operator | NPCC | 2 | | | | | | | | | | | | | | | | |
| 22. | Ben Wui | Orange and Rockland Utilities | NPCC | 1 | | | | | | | | | | | | | | | | |
| 23. | Peter Yost | Consolidated Edison Co. of N. Y.y | NPCC | 3 | | | | | | | | | | | | | | | | |
| 3. | Group | Joseph DePoorter | MRO NSRF | | X | X | X | X | X | X | | | | | | | | | | |
| Additional Member Additional Organization Region Segment Selection | | | | | | | | | | | | | | | | | | | | |
| 1. | Mahmood Safi | OPPD | MRO | 1, 3, 5, 6 | | | | | | | | | | | | | | | | |
| 2. | Tom Breene | WPS | MRO | 3, 4, 5, 6 | | | | | | | | | | | | | | | | |
| 3. | Chuck Lawrence | ATC | MRO | 1 | | | | | | | | | | | | | | | | |
| 4. | Jodi Jensen | WAPA | MRO | 1, 6 | | | | | | | | | | | | | | | | |
| 5. | Ken Goldsmith | ALT | MRO | 4 | | | | | | | | | | | | | | | | |
| 6. | Dave Rudolf | BEPC | MRO | 1, 3, 5, 6 | | | | | | | | | | | | | | | | |
| 7. | Kayleigh Wilkerson | LES | MRO | 1, 3, 5, 6 | | | | | | | | | | | | | | | | |
| 8. | Joseph DePoorter | MGE | MRO | 3, 4, 5, 6 | | | | | | | | | | | | | | | | |
| 9. | Scott Nichols | RPU | MRO | 4 | | | | | | | | | | | | | | | | |
| 10. | Terry Harbour | MEC | MRO | 1, 3, 5, 6 | | | | | | | | | | | | | | | | |

| Group/Individual | Commenter | Organization | Registered Ballot Body Segment | | | | | | | | | | | | | | | | | |
|---|---|--|--|---------|---|---|---|---|---|---|---|----|--|--|--|--|--|--|---|--|
| | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | | | | | | | | |
| 11. Marie Knox | MISO | MRO | 2 | | | | | | | | | | | | | | | | | |
| 12. Lee Kittelson | OTP | MRO | 1, 3, 4, 5 | | | | | | | | | | | | | | | | | |
| 13. Scott Bos | MPW | MRO | 1, 3, 5, 6 | | | | | | | | | | | | | | | | | |
| 14. Tony Eddleman | NPPD | MRO | 1, 3, 5 | | | | | | | | | | | | | | | | | |
| 15. Mike Brytowski | GRE | MRO | 1, 3, 5, 6 | | | | | | | | | | | | | | | | | |
| 16. Dan Inman | MPC | MRO | 1, 3, 5, 6 | | | | | | | | | | | | | | | | | |
| 4. | Group | Ed Skiba | ISO/RTO Council's Standards Review Committee | | X | | | | | | | | | | | | | | | |
| Additional Member Additional Organization Region Segment Selection | | | | | | | | | | | | | | | | | | | | |
| 1. | Ali Miremadi | CA-ISO | WECC | 2 | | | | | | | | | | | | | | | | |
| 2. | Steve Myers | ERCOT | ERCOT | 2 | | | | | | | | | | | | | | | | |
| 3. | Ben Li | IESO | NPCC | 2 | | | | | | | | | | | | | | | | |
| 4. | Kathleen Goodman | ISO-NE | NPCC | 2 | | | | | | | | | | | | | | | | |
| 5. | Greg Campoli | NY-ISO | NPCC | 2 | | | | | | | | | | | | | | | | |
| 6. | Stephanie Monzon | PJM | RFC | 2 | | | | | | | | | | | | | | | | |
| 7. | Charles | Yeung | SPP | 2 | | | | | | | | | | | | | | | | |
| 5. | Group | David Dockery, NERC Reliability Compliance Coordinator | Associated Electric Cooperative, Inc. - JRO00088 | | X | | X | | X | X | | | | | | | | | | |
| Additional Member Additional Organization Region Segment Selection | | | | | | | | | | | | | | | | | | | | |
| 1. | Central Electric Power Cooperative | | SERC | 1, 3 | | | | | | | | | | | | | | | | |
| 2. | KAMO Electric Cooperative | | SERC | 1, 3 | | | | | | | | | | | | | | | | |
| 3. | M & A Electric Power Cooperative | | SERC | 1, 3 | | | | | | | | | | | | | | | | |
| 4. | Northeast Missouri Electric Power Cooperative | | SERC | 1, 3 | | | | | | | | | | | | | | | | |
| 5. | N.W. Electric Power Cooperative, Inc. | | SERC | 1, 3 | | | | | | | | | | | | | | | | |
| 6. | Sho-Me Power Electric Cooperative | | SERC | 1, 3 | | | | | | | | | | | | | | | | |
| 6. | Group | Kent Kujala | Detroit Edison | | | X | X | X | | | | | | | | | | | | |
| Additional Member Additional Organization Region Segment Selection | | | | | | | | | | | | | | | | | | | | |
| 1. | Jeff DePriest | | RFC | 3, 4, 5 | | | | | | | | | | | | | | | | |
| 7. | Group | Steve Alexanderson P.E. | Western Small Entity Comment Group | | | X | X | | | | | | | | | | | | X | |

| Group/Individual | | Commenter | Organization | Registered Ballot Body Segment | | | | | | | | | |
|--------------------------|-------------------|---|--|--------------------------------|---|--------------------------|---|---|---|---|---|---|----|
| | | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| Additional Member | | Additional Organization | | Region | | Segment Selection | | | | | | | |
| 1. | Ronald Sporseen | Blachly-Lane Electric Cooperative | WECC | 3 | | | | | | | | | |
| 2. | Ronald Sporseen | Central Electric Cooperative | WECC | 3 | | | | | | | | | |
| 3. | Ronald Sporseen | Consumers Power | WECC | 1, 3 | | | | | | | | | |
| 4. | Ronald Sporseen | Clearwater Power Company | WECC | 3 | | | | | | | | | |
| 5. | Ronald Sporseen | Douglas Electric Cooperative | WECC | 3 | | | | | | | | | |
| 6. | Ronald Sporseen | Fall River Rural Electric Cooperative | WECC | 3 | | | | | | | | | |
| 7. | Ronald Sporseen | Northern Lights | WECC | 3 | | | | | | | | | |
| 8. | Ronald Sporseen | Lane Electric Cooperative | WECC | 3 | | | | | | | | | |
| 9. | Ronald Sporseen | Lincoln Electric Cooperative | WECC | 3 | | | | | | | | | |
| 10. | Ronald Sporseen | Raft River Rural Electric Cooperative | WECC | 3 | | | | | | | | | |
| 11. | Ronald Sporseen | Lost River Electric Cooperative | WECC | 3 | | | | | | | | | |
| 12. | Ronald Sporseen | Salmon River Electric Cooperative | WECC | 3 | | | | | | | | | |
| 13. | Ronald Sporseen | Umatilla Electric Cooperative | WECC | 1, 3 | | | | | | | | | |
| 14. | Ronald Sporseen | Coos-Curry Electric Cooperative | WECC | 3 | | | | | | | | | |
| 15. | Ronald Sporseen | West Oregon Electric Cooperative | WECC | 4 | | | | | | | | | |
| 16. | Ronald Sporseen | Pacific Northwest Generating Cooperative | WECC | 3, 4, 8 | | | | | | | | | |
| 17. | Ronald Sporseen | Power Resources Cooperative | WECC | 5 | | | | | | | | | |
| 8. | Group | Robert Rhodes | SPP Standards Review Group | | | X | | | | | | | |
| Additional Member | | Additional Organization | | Region | | Segment Selection | | | | | | | |
| 1. | John Allen | City Utilities of Springfield | SPP | 1, 4 | | | | | | | | | |
| 2. | John Boshears | City Utilities of Springfield | SPP | 1, 4 | | | | | | | | | |
| 3. | Greg Froehling | Rayburn Country Electric Cooperative | SPP | 3 | | | | | | | | | |
| 4. | Jonathan Hayes | Southwest Power Pool | SPP | 2 | | | | | | | | | |
| 5. | Bo Jones | Westar Energy | SPP | 1, 3, 5, 6 | | | | | | | | | |
| 6. | Tiffany Lake | Westar Energy | SPP | 1, 3, 5, 6 | | | | | | | | | |
| 7. | Stephen McGie | City of Coffeyville | SPP | NA | | | | | | | | | |
| 9. | Group | Brent Ingebrigtsen | PPL Corporation NERC Registered Affiliates | | X | | X | | X | X | | | |
| Additional Member | | Additional Organization | | Region | | Segment Selection | | | | | | | |
| 1. | Brenda Lyn Truhe | PPL Electric Utilities | RFC | 1 | | | | | | | | | |
| 2. | Annette M. Bannon | PPL Generation. LLC on behalf of its Supply NERC Registered | RFC | 5 | | | | | | | | | |

| Group/Individual | Commenter | Organization | Registered Ballot Body Segment | | | | | | | | | | | | | | | | | |
|---|--------------------------|--|--|--------------------------|---|---|---|---|---|---|---|----|--|--|--|--|--|--|--|---|
| | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | | | | | | | | |
| | | Entities | | | | | | | | | | | | | | | | | | |
| 3. | Annette M Bannon | PPL Generation, LLC on behalf of its Supply NERC Registered Entities | WECC | 5 | | | | | | | | | | | | | | | | |
| 4. | Elizabeth A. Davis | PPL EnergyPlus, LLC | MRO | 6 | | | | | | | | | | | | | | | | |
| 5. | Elizabeth A. Davis | PPL EnergyPlus, LLC | RFC | 6 | | | | | | | | | | | | | | | | |
| 6. | Elizabeth A. Davis | PPL EnergyPlus, LLC | SPP | 6 | | | | | | | | | | | | | | | | |
| 7. | Elizabeth A. Davis | PPL EnergyPlus, LLC | WECC | 6 | | | | | | | | | | | | | | | | |
| 10. | Group | Larry Raczkowski | FirstEnergy | | X | | | X | X | X | X | | | | | | | | | |
| | Additional Member | Additional Organization | Region | Segment Selection | | | | | | | | | | | | | | | | |
| 1. | William J Smith | | RFC | 1 | | | | | | | | | | | | | | | | |
| 2. | Stephan M Kern | | RFC | 3 | | | | | | | | | | | | | | | | |
| 3. | Douglas G Hohlbaugh | Ohio Edison | RFC | 4 | | | | | | | | | | | | | | | | |
| 4. | Kenneth J Dresner | | RFC | 5 | | | | | | | | | | | | | | | | |
| 5. | Kevin J Querry | | RFC | 6 | | | | | | | | | | | | | | | | |
| 11. | Group | John Babik | JEA | | X | | | X | | X | | | | | | | | | | |
| | Additional Member | Additional Organization | Region | Segment Selection | | | | | | | | | | | | | | | | |
| 1. | Ted Hobson | JEA | FRCC | 1 | | | | | | | | | | | | | | | | |
| 2. | Garry Baker | JEA | FRCC | 3 | | | | | | | | | | | | | | | | |
| 12. | Group | David Dworzak | Edison Electric Institute | | X | | | | | | | | | | | | | | | |
| Additional members listed here: http://www.eei.org | | | | | | | | | | | | | | | | | | | | |
| 13. | Group | Jason Marshall | ACES Power Marketing Standards Collaborators | | | | | | | | | | | | | | | | | X |
| | Additional Member | Additional Organization | Region | Segment Selection | | | | | | | | | | | | | | | | |
| 1. | Bob Solomon | Hoosier Energy | RFC | 1 | | | | | | | | | | | | | | | | |
| 2. | Bill Watson | Old Dominion Electric Cooperative | SERC | 3, 4 | | | | | | | | | | | | | | | | |
| 3. | Megan Wagner | Sunflower Electric Power Corporation | SPP | 1 | | | | | | | | | | | | | | | | |
| 4. | Shari Heino | Brazos Electric Power Cooperative | ERCOT | 1, 5 | | | | | | | | | | | | | | | | |
| 5. | Kevin Lyons | Central Iowa Power Cooperative | MRO | | | | | | | | | | | | | | | | | |
| 14. | Group | Charles W. Long | SERC Planning Standards Subcommittee | | X | | | | | | | | | | | | | | | X |
| | Additional Member | Additional Organization | Region | Segment Selection | | | | | | | | | | | | | | | | |

| Group/Individual | Commenter | Organization | Registered Ballot Body Segment | | | | | | | | | | | |
|--------------------------|---|---|--------------------------------|---|---|---|---|---|---|---|---|----|--|--|
| | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | | |
| 1. John Sullivan | Ameren Services Company | SERC 1 | | | | | | | | | | | | |
| 2. James Manning | NC Electric Membership Corporation | SERC 1 | | | | | | | | | | | | |
| 3. Jim Kelley | PowerSouth Energy Cooperative | SERC 1 | | | | | | | | | | | | |
| 4. Philip Kleckley | SC Electric & Gas Company | SERC 1 | | | | | | | | | | | | |
| 5. Bob Jones | Southern Company Service | SERC 1 | | | | | | | | | | | | |
| 6. McCall, Richard | NCEMC | SERC 1 | | | | | | | | | | | | |
| 7. David Greene | SERC Reliability Corporation | SERC 10 | | | | | | | | | | | | |
| 8. Amir Najafzadeh | SERC Reliability Corporation | SERC 10 | | | | | | | | | | | | |
| 15. Group | Chris Higgins | Bonneville Power Administration | X | | X | | X | X | | | | | | |
| Additional Member | Additional Organization | Region | Segment Selection | | | | | | | | | | | |
| 1. Lorissa Jones | Transmission Internal Operations | WECC | 1 | | | | | | | | | | | |
| 2. Erika Doot | Generation Support | WECC | 3, 5, 6 | | | | | | | | | | | |
| 3. Hardev Juj | Planning & Asset Management | WECC | 1 | | | | | | | | | | | |
| 16. Group | Brenda Hampton | Luminant | | | | | | X | | | | | | |
| Additional Member | Additional Organization | Region | Segment Selection | | | | | | | | | | | |
| 1. Mike Laney | Luminant Generation Company LLC | ERCOT | 5 | | | | | | | | | | | |
| 17. Individual | Antonio Grayson | Southern Company | X | | X | | X | X | | | | | | |
| 18. Individual | Ryan Millard | PacifiCorp | X | | X | | X | X | | | | | | |
| 19. Individual | Jana Van Ness, Director Regulatory Compliance | Arizona Public Service Company | X | | X | | X | X | | | | | | |
| 20. Individual | Jack Cashin | EPSA | | | | | X | X | | | | | | |
| 21. Individual | Barry Lawson | National Rural Electric Cooperative Association (NRECA) | | | | X | | | | | | | | |
| 22. Individual | Steven Powell | Trans Bay Cable LLC | | | | | | | | | | | | |
| 23. Individual | Molly Devine | Idaho Power Co. | X | | X | | | | | | | | | |
| 24. Individual | John Seelke | Public Service Enterprise Group | X | | X | | X | X | | | | | | |
| 25. Individual | Thomas Lyons | Owensboro Municipal Utilities | | | X | | | | | | | | | |
| 26. Individual | Jim Cyrulewsmki | JDRJC Associates | | | | | | | | | X | | | |
| 27. Individual | Laura Lee | Duke Energy | X | | X | | X | X | | | | | | |

| Group/Individual | | Commenter | Organization | Registered Ballot Body Segment | | | | | | | | | |
|------------------|------------|-----------------------|--|--------------------------------|---|---|---|---|---|---|---|---|----|
| | | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 28. | Individual | Steve Rueckert | WECC | | | | | | | | | | X |
| 29. | Individual | Thad Ness | American Electric Power | X | | X | | X | X | | | | |
| 30. | Individual | Jonathan Appelbaum | The United Illuminating Company | X | | | | | | | | | |
| 31. | Individual | Michelle R. D'Antuono | Occidental Energy Ventures Corp | | | X | | X | | X | | | |
| 32. | Individual | Joe O'Brien | NIPSCO | X | | X | | X | X | | | | |
| 33. | Individual | Patrick Brown | Essential Power, LLC | | | | | X | | | | | |
| 34. | Individual | Scott McGough | Georgia System Operations Corporation | | | X | | | | | | | |
| 35. | Individual | Nazra Gladu | Manitoba Hydro | X | | X | | X | X | | | | |
| 36. | Individual | John Brockhan | CenterPoint Energy Houston Electric L.L.C. | X | | | | | | | | | |
| 37. | Individual | William O. Thompson | NIPSCO | | | | | X | | | | | |
| 38. | Individual | Andrew Z. Puztai | American Transmission Company | X | | | | | | | | | |
| 39. | Individual | Brian Murphy | NextEra Energy | X | | X | | X | X | | | | |
| 40. | Individual | David Thorne | Pepco Holdings Inc | X | | X | | | | | | | |
| 41. | Individual | Mace Hunter | Lakeland Electric | X | | X | | X | | | | | |
| 42. | Individual | J. S. Stonecipher, PE | City of Jacksonville Beach, FL dba/Beaches Energy Services | X | | | | | | | | | |
| 43. | Individual | Steven Wallace | Seminole Electric Cooperative, Inc. | | | X | X | X | X | | | | |
| 44. | Individual | Kathleen Goodman | ISO New England Inc. | | X | | | | | | | | |
| 45. | Individual | David Jendras | Ameren | X | | X | | X | X | | | | |
| 46. | Individual | Tracy Sliman | Tri-State G & T | X | | | | | | | | | |
| 47. | Individual | Jim Howard | Lakeland Electric | X | | X | | X | X | | | | |
| 48. | Individual | Angie Sheffield | Georgia Transmission Corp. | X | | | | | | | | | |
| 49. | Individual | Terri Pyle | Oklahoma Gas & Electric | X | | X | | X | | | | | |
| 50. | Individual | Daniel Duff | Liberty Electric Power LLC | | | | | X | | | | | |
| 51. | Individual | Michael Falvo | Independent Electricity System Operator | | X | | | | | | | | |
| 52. | Individual | Bob Thomas | Illinois Municipal Electric Agency | | | | X | | | | | | |

| Group/Individual | | Commenter | Organization | Registered Ballot Body Segment | | | | | | | | | | |
|------------------|------------|------------------|---------------------------------------|--------------------------------|---|---|---|---|---|---|---|---|----|--|
| | | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | |
| 53. | Individual | Clay Young | South Carolina Electric and Gas | X | | X | | X | X | | | | | |
| 54. | Individual | Thomas Hanzlik | SCE&G | X | | X | | X | X | | | | | |
| 55. | Individual | Eric Salsbury | Consumers Energy | | | X | X | X | | | | | | |
| 56. | Individual | Steven Powell | Trans Bay Cable LLC | X | | | | | | | | | | |
| 57. | Individual | Patrick Brown | Canadian Electricity Association | | | | | | | | | | | |
| 58. | Individual | Don Schmit | Nebraska Public Power District | X | | X | | X | | | | | | |
| 59. | Individual | dmason | HHWP | | | | | X | | | | | | |
| 60. | Individual | Maggy Powell | Exelon Corporation and its affiliates | X | | X | X | X | X | | | | | |
| 61. | Individual | Scott Berry | Indiana Municipal Power Agency | | | | X | | | | | | | |
| 62. | Individual | Brett Holland | Kansas City Power & Light | X | | X | | X | X | | | | | |
| 63. | Individual | Keith Morisette | Tacoma Power | X | | X | X | X | X | | | | | |
| 64. | Individual | Tony Kroskey | Brazos Electric Power Cooperative | X | | | | | | | | | | |
| 65. | Individual | Allen Mosher | American Public Power Association | X | | X | X | X | X | | | | | |
| 66. | Individual | Jose H Escamilla | CPS Energy | X | | X | | X | | | | | | |
| 67. | Individual | Darryl Curtis | Oncor Electric Delivery | X | | | | | | | | | | |

IF YOU WISH TO EXPRESS SUPPORT FOR ANOTHER ENTITY'S COMMENTS WITHOUT ENTERING ANY ADDITIONAL COMMENTS, YOU MAY DO SO HERE.

| Organization | Yes or No | Do you agree with another entity's comment? |
|--|-----------|---|
| Dominion | Agree | |
| Associated Electric Cooperative, Inc. - JRO00088 | Agree | NRECA |
| Luminant | Agree | Edison Electric Institute (EEI) |
| JDRJC Associates | Agree | MISO/SRC |
| NIPSCO | Agree | "Reference the comments submitted for NIPSCO by Joe O'Brien." |
| Seminole Electric Cooperative, Inc. | Agree | NRECA |
| ISO New England Inc. | Agree | We support the comments submitted by the ISO/RTO Council Standards Review Committee (SRC) |
| Lakeland Electric | Agree | FMPA |
| Georgia Transmission Corp. | Agree | NRECA - Barry Lawson |
| Illinois Municipal Electric Agency | Agree | Florida Municipal Power Agency |
| Nebraska Public Power District | Agree | MRO NSRF (Midwest Reliability Organization - NERC Standards Review Forum) |

| Organization | Yes or No | Do you agree with another entity's comment? |
|-----------------------------------|-----------|---|
| Indiana Municipal Power Agency | Agree | Indiana Municipal Power Agency supports the comments submitted by Florida Municipal Power Agency. |
| Brazos Electric Power Cooperative | Agree | ACES Power Marketing |

Summary Consideration:

An initial ballot of Draft 2 of the proposed revisions to the SPM concluded on October 12, 2012 and received a 63% approval. The SC, its subcommittees, and NERC staff continue to be grateful for the industry support and thoughtful comments on the improvements to the standard development process.

The SCPS and Standards Committee have reviewed all of the comments and made the following substantive changes in response to the comments:

- **VRFs, VSLs, Measures, and RSAWs** - The majority of the commenters recognize the burden that the development of VRFs and VSLs has on SDTs and support the development of potential alternatives. Commenters also expressed support for drafting team participation in developing RSAWs. Both of these items will require collaboration between the Standards Committee, NERC Standards staff, and NERC and Regional Compliance programs to develop and implement. Therefore the SCPS is continuing to work toward the elimination of the VRFs and the VSLs through the development of potential alternatives and is actively working with NERC and Regional Enforcement staff to establish a consensus on the concepts. In the same vein, NERC's Compliance program is working with Regions and stakeholders to develop and implement the Reliability Assurance Initiative (RAI), and as this effort evolves the SC and NERC Standards staff will leverage opportunities to align drafting teams and compliance staff to ensure that the intent of drafting teams is captured in approaches to monitoring compliance.

While these concepts are further developed, Measures, VRFs and VSLs will continue to be drafted by the SDT and a non-binding poll of VRFs and VSLs will continue to be conducted consistent with current process.

- **Treatment of 'No' Votes During a Final Ballot** - Several commenters identified that during a Final ballot, there is no comment period. There is no obligation in the current SPM to accept comments during a recirculation ballot, and the proposed revisions to the SPM are consistent with the current SPM in that there is no comment period associated with a Final Ballot. Therefore, all 'no' votes submitted in a Final Ballot will count toward determination of both the quorum and consensus. Clarifying language and a new Footnote 24 have been inserted in section 4.11, to clarify this important point. Footnote 24 reads: 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 commented or supported the comments of other groups during prior Formal Comment periods.
- **Section 16.0 Waiver Provision** - In response to stakeholders concerns regarding transparency, openness and due process protections, the SCPS incorporated the concept of a notice period for stakeholders prior to consideration of a waiver request by the Standards Committee and clarified how notice to stakeholders will be provided when

the waiver provision is exercised. We have also incorporated a provision for the immediate reporting of waivers by the Standards Committee to the Standards Oversight & Technology Committee.

- **In addition, stakeholders identified a number of minor typographical errors and minor clarifications. These corrections have been made and are shown in the redline.**

1. In response to stakeholder feedback about changes to the commenting process, the SCPS clarified that all written comments received via informal feedback will be posted and that while drafting teams are not required to provide a written response to each individual comment received, the teams are encouraged to post a summary response that identifies how it used comments submitted by stakeholders (addressed in section 4.5). The SCPS revised sections 4.12 and 4.13 to clarify the requirements to consider and respond to all written comments. These sections now read:

4.12 Consideration of Comments 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 Additional Ballots If a stakeholder or ballotter proposes a significant revision to the 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.

With these revisions, indicated in redline form in the posted SPM, do you support the proposed the new process for addressing comments?

Summary Consideration:

By far, the majority of concerns by comments on Question 1 were related to the perception that ceasing to require the drafting team to respond individually to each and every submitted comment would negatively affect the quality of the effort made by the drafting team to consider all input. The drafting team discussed this topic in great detail. The SPM revision drafting team has concluded that, while there is some validity to the concerns, the expectation is that much greater gains in efficiency in the process and clarity of the consensus development will greatly outweigh any such negative impacts.

The comment process has been streamlined and revised to allow for summary responses to comments and only one formal comment period during which a drafting team is required to respond to comments in writing. In every case where written comments are accepted, the complete record of comments submitted will be posted as part of the development record of the standard.

The process envisions the use of a variety of methods to collect informal stakeholder feedback on preliminary drafts of its documents, including the use of informal comment periods, webinars, industry meetings, workshops, or other mechanisms. As the drafting team uses the various methods, a robust draft will be developed. Once the draft is ready for posting, it should be a high quality product which already addresses industry concerns.

The 30 day informal comment period has been removed to provide more flexibility in the use of informal mechanisms for collecting feedback from stakeholders. This change is consistent with SPIG Recommendations 1 and 5. There is no ANSI requirement to have informal comment periods for 30 days.

If a drafting team determines that significant changes are needed as a result of a comment period, there is no formal obligation for a drafting team to respond to comments in writing. Rather, drafting teams may make any needed changes and communicate these changes via webinar or other informal methods. Drafting teams are mindful that in order to build consensus it is imperative to be responsive to comments, however, responding in writing to every single comment at every stage of standard development is time-intensive and can be inefficient. For this reason, the ability to provide informal feedback to stakeholders regarding how a team is responding to comments allows for necessary flexibility.

The drafting teams will be encouraged to reach out to commenters for explanation of any comments they do not understand. In addition, although the drafting teams are not allowed to receive one-on-one comments from individual commenters, which could be perceived to be biased or unequal access to the process, commenters are free to attend any public meeting of the drafting team and give input at that meeting.

The drafting teams will be encouraged to develop a summary of actions taken to make changes or other disposition of comments received. Although the drafting teams will not be required to develop individual summaries, the background information provided at the beginning of documents posted will explain what is being posted and why. The drafting teams almost certainly will find action summaries to be very useful in developing the document postings.

Following a substantive change, a proposal will again be posted for a 45 day comment period and ballot, accompanied by an explanation of the major changes proposed in the revised proposal. Once a drafting team has responded to comments in writing, a proposal may proceed to the Final Ballot. These changes reflect the minimum ANSI requirements.

Some comments were received in response to this question raising issues which are more appropriately addressed in responses to other questions in the posting. Commenters are encouraged to review all responses to all questions for complete coverage of their comments.

| Organization | Yes or No | Question 1 Comment |
|--|-----------|---|
| Western Small Entity Comment Group | No | The comment group objects to summary comment responses. We note that summary comment responses have already been used by some teams, and we find that our comments are not always summarized properly. When the team continues to provide a response, we find they may have not addressed our concerns at all. We fail to see how the summary response will result in an efficiency gain, since more ballots and comment periods will be needed to gather the needed affirmative votes. |
| <p>Response: The drafting team appreciates your comments. The SDT understands your recommendation and did discuss them. The team continues to support encouraging drafting teams to post a summary response during the informal feedback period that identifies how it used comments submitted by stakeholders, and points to Section 4.12 which requires, in part, that: “All comments received and all responses shall be publicly posted.” Additionally, during the balloting process, should you believe your comment was misunderstood or not addressed in the summary of comments, you can either discuss your concerns during an open meeting or directly contact the drafting team to discuss their comments. Please note standard drafting team meetings are open to observers for discussion of multiple perspectives. Additionally, during the balloting process, should your comment not be addressed or misunderstood, please note standard drafting team meetings are open to observers for discussion of multiple perspectives. Also available is the option to directly contact a drafting team chair or member to further discuss any concerns regarding comments.</p> | | |
| ACES Power Marketing Standards Collaborators | No | (1) We simply do not believe that this proposal will have the intended effect of shortening the standards development process. In fact, we believe it will actually lengthen the standards development process in some cases. (2) While |

| Organization | Yes or No | Question 1 Comment |
|--------------|-----------|--|
| | | <p>the proposal conceptually sounds like a reasonable approach, we are concerned that the actual implementation will result in comments that are not considered appropriately. We have observed that many drafting team’s have provided responses to our comments that have indicated they did not fully understand the comments. This results in issues that are raised repeatedly in the future comment phases. The current requirement that a drafting team has to respond to all comments creates a discipline that each comment is at least considered on a cursory basis. This proposal eliminates that discipline which means that comments will be even less likely to be given full consideration. While we understand that comments for some projects (CIP for example) have been so numerous that this approach is not workable for every project, we believe that responding to every comment in writing in most projects is still very manageable. This is especially true if the work is divided up among drafting team participants. Furthermore, even if the drafting team proposes a significant change that will result in an additional ballot per 4.13, we believe it makes sense to respond in writing to all comments to explain how the significant change addresses the comment. Otherwise, the same comment may be re-submitted to the drafting team during the next ballot. (3) The current standards development process has essentially become a “bring me a rock exercise”. The drafting team responds to comments and then posts for formal comment and ballot during the next phase. Commenters then submit additional comments often indicating some intricacy of the same or similar issue that the drafting team has not considered fully. Essentially, they say either you did not understand our comments or the proposed changes don’t fully address our comments. For major issues, we believe a better approach would be for the drafting team to reach out to commenters in between postings to ensure that the response to comments will address the issue. While this might slightly increase the time in between postings, it is likely to result in fewer postings which results in greater efficiencies. Because NERC requires the commenter to provide contact information when submitting comments, we cannot see any</p> |

| Organization | Yes or No | Question 1 Comment |
|---|-----------|--|
| | | reason this outreach should not occur for the typical standards development effort. |
| <p>Response: Thank you for your comments. In response to your first comment, it is recognized that it is your opinion that the process may not be shortened by the proposed SPM changes, however, the SCPS does believe that the changes will result in a shorter process and other process benefits. Specific to your second comment, the discipline to consider all comments is intended to continue. There are other options available should you feel that your comments are not specifically addressed. During the balloting process, should your comment not be addressed or misunderstood, please note standard drafting team meetings are open to observers for discussion of multiple perspectives. Also available is the option to directly contact a drafting team chair or member to further discuss any concerns regarding comments. The team continues to support encouraging drafting teams to post a summary response during the informal feedback period that identifies how it used comments submitted by stakeholders, and points to Section 4.12 which requires, in part, that: “All comments received and all responses shall be publicly posted.” Additionally, during the balloting process, should you believe your comment was misunderstood or not addressed in the summary of comments, you can either discuss your concerns during an open meeting or directly contact the drafting team to discuss their comments. Please note standard drafting team meetings are open to observers for discussion of multiple perspectives. The intent is for the SDT to use many informal sources of input for the creation of their draft consensus document BEFORE they draft the document and post it for comments and ballot. This process should result in a more robust draft that already contains the majority of the industry consensus input. Regarding your third comment to have the drafting team contact a commenter to discuss responses to their comments, this communication is already available and drafting teams have reached out to commenters to clarify their comment or a particular change would address their concern. Drafting teams are encouraged by NERC to contact commenters to gain better clarification of comments when needed. Your suggestion that the SDT should reach out to commenters is a good one and a revision will be made to the SPM draft to include such activities as a form of informal information gathering to be used between postings/ballots.</p> | | |
| National Rural Electric Cooperative Association (NRECA) | No | NRECA strongly urges the SC to rethink the provisions related to SDT comment response processes. NRECA requests that the SPM be revised to require, not only encourage, a SDT to post a summary response that identifies how it used stakeholder comments in informal comment periods. Otherwise commenters will not know whether and how their comments were considered until possibly the end of the process. NRECA also strongly urges the SC to revise the SPM to require individual, not summary, comment responses during the final formal |

| Organization | Yes or No | Question 1 Comment |
|---|-----------|---|
| | | <p>comment period. If these provisions are not addressed carefully, it could limit, or appear to limit, the ability of stakeholders to effectively participate in the standard development process. This could potentially bring about an increased number of appeals submitted to NERC due to stakeholders not believing their comments were properly addressed and responded to.</p> |
| <p>Response: Thank you for your comments. The SDT understands your recommendation and did discuss them. The team continues to support encouraging drafting teams to post a summary response during the informal feedback period that identifies how it used comments submitted by stakeholders, and points to Section 4.12 which requires, in part, that: “All comments received and all responses shall be publicly posted.” Additionally, during the balloting process, should you believe your comment was misunderstood or not addressed in the summary of comments, you can either discuss your concerns during an open meeting or directly contact the drafting team to discuss their comments. Please note standard drafting team meetings are open to observers for discussion of multiple perspectives.</p> | | |
| <p>Trans Bay Cable LLC</p> | <p>No</p> | <p>Since NERC is moving towards NOT COUNTING no votes without comment, then they are stating comments are required. If comments are required, then the drafting teams/NERC should directly respond to the comments. A lot of time, money, energy is spent in developing, reviewing and writing comments to provide feedback to standard drafting teams. If NERC would decide allow NEGATIVE or NO votes without comment I would support the recommendation. If significant changes are going to be made to a standard, then I agree a response is not required, but the entity who submitted the comment should be responded to stating their comment will be addressed in the updated standard. Again, a lot of time, effort and man power is put into reading, reviewing and responding to standards.</p> |
| <p>Response: The drafting team reminds you that Section 4.12 of the draft SPM provides for the following: “Consideration of Comments 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.”</p> | | |

| Organization | Yes or No | Question 1 Comment |
|---|-----------|--|
| Duke Energy | No | Section 4.5 should require, not just encourage, summary responses to informal comments. This is an important part of the dialogue between the industry (those providing the informal comments) and the standard drafting team. Similarly, the standard drafting team should be required in section 4.12 to respond in writing with a summary of the significant revisions identified in consideration of comments submitted. |
| <p>Response: Thank you for your comments. The SDT understands your recommendation and did discuss them. The team continues to support encouraging drafting teams to post a summary response during the informal feedback period that identifies how it used comments submitted by stakeholders, and points to Section 4.12 which requires, in part, that: “All comments received and all responses shall be publicly posted.” Additionally, during the balloting process, should you believe your comment was misunderstood or not addressed in the summary of comments, you can either discuss your concerns during an open meeting or directly contact the drafting team to discuss their comments. Please note standard drafting team meetings are open to observers for discussion of multiple perspectives.</p> | | |
| Ameren | No | A summary response would be acceptable as long as all responses are easily searchable under the commenting entity’s name; otherwise, there would be no easy way to learn of response to individual comments and also to compile responses to entity's comments to disseminate internally to SMEs. |
| <p>Response: Thank you for your comments. Serious consideration was given to your recommendation; however, because the number of commenters may be voluminous, it may be impractical and administratively burdensome to require the drafting team to include all commenters’ names. The direction is not to make changes to the SPM to include this additional requirement.</p> | | |
| Consumers Energy | No | Consumers Energy believes it is best for the drafting team to respond to all comments as a normal course of action, as it is then clear to the commenting entity exactly what was done/not done to address their concerns. Also, an explanation of why the drafting team disagrees with a comment may clear up the reason for the comment so the entity making the comment does not carry it forward. |

| Organization | Yes or No | Question 1 Comment |
|---|-----------|---|
| <p>Response: The drafting team appreciates your comments. The drafting teams are encouraged to provide responses to the written comments in a summary form where possible. The Drafting teams are also encouraged to post a summary response that identifies how it used comments submitted by stakeholders. The intent is to gather stakeholder feedback on a "working document" before the document reaches the point where it is considered the "final draft".</p> <p>Additionally, during the balloting process, should your comment not be addressed or misunderstood, please note standard drafting team meetings are open to observers for discussion of multiple perspectives. Also available is the option to directly contact a drafting team chair or member to further discuss any concerns regarding comments.</p> | | |
| Trans Bay Cable LLC | No | Having reviewed summarized comments posted from other standards, knowing the original comment provided and reading the "summarized" version, the meaning and intent of the original comment was lost. Comments should be posted as they are submitted. |
| <p>Response: Thank you for your comments. The SDT points to Section 4.12 which requires, in part, that: "All comments received and all responses shall be publicly posted." Additionally, during the balloting process, should you believe your comment was misunderstood or not addressed in the summary of comments, you can either discuss your concerns during an open meeting or directly contact the drafting team to discuss their comments. Please note standard drafting team meetings are open to observers for discussion of multiple perspectives.</p> | | |
| Exelon Corporation and its affiliates | No | Exelon supports the revision to remove the 30 day time frame for informal comment periods. This is useful to give flexibility to the informal process. More frequent use of the informal comment periods to gather constructive input in the early stages allows the drafting team to utilize the iteration process without the burden of formal response to comment. More robust use of the informal stages could have been sufficient to render the revisions made to the response to comments provision unnecessary. No clear justification or reasoning is given for how the changes will expedite the development process. Presumably, the assumption is that if SDT members don't have to spend so much time on responding to comments then they can continue with the drafting work. This may be exchanging a workload concern for potential quality and consensus |

| Organization | Yes or No | Question 1 Comment |
|--|-----------|--|
| | | <p>building concerns. The response to comments serves a few purposes for entities - an acknowledgement of the entity voice, an indication of whether the SDT understood the comments, and as a tool for confirming language understanding. It is the communications process between the SDT and technical experts at the voting entities over the iterative process. Putting all responses at the end of the process in summary form may eliminate the value that the response to comments contributed to language development and getting to yes votes.</p> |
| <p>Response: Thank you for your comments and appreciates your support of the revisions to comments received during the informal feedback period. In large part, your comments correctly summarize the intent of the revisions to the SPM. However, please review the draft Sections 4.12 and 4.13 to see that all comments must be posted and all summary responses must be posted.</p> <p>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.</p> <p>If a stakeholder or ballotter proposes a significant revision to the 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 written comments received in the last Additional Ballot prior to conducting a Final Ballot.</p> <p>The drafting team agrees that communications is important to make the process successful.</p> | | |
| Oncor Electric Delivery | No | <p>Process OverviewOncor does not support the new commenting process as proposed. In Section 4.13 it states "If a stakeholder or ballotter proposes a significant revision to the 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</p> |

| Organization | Yes or No | Question 1 Comment |
|---|-----------|---|
| | | <p>revisions and post the revised Reliability Standard for another 45 calendar day public comment period and ballot." The proposed process also states that if the Standard Development Team chooses to post the revisions for additional comment and ballot that previous comments do not require a response in writing. Oncor takes the position that when a stakeholder submits a significant revision during the initial formal commenting period which improves the quality, clarity, or enforceability of a Reliability Standard, then, the drafting team would be remiss ["may choose"] not to consider the validity of the comments by providing a written response to stakeholder concerns and by allowing them to participate in an additional ballot. Oncor takes the position that the current language in the ROP should remain as follows." If a stakeholder or balloter proposes a significant revision to the Reliability Standard during the formal comment period or concurrent initial ballot that will improve the quality, clarity, or enforceability of that Reliability Standard then the drafting team shall make such revisions and post the revised Reliability Standard for another public comment period and ballot."</p> |
| <p>Response: Thank you for your comments. The drafting team wishes to clarify that whether to include significant revisions is a decision to be made by the SDT. However, we believe that such revisions which do, in fact, improve the quality, clarity, or enforceability of the Reliability Standard are almost certain to be adopted by the SDT. There may be other decisions or options available which lead the SDT to select a different, equally effective option. In any case, when significant revisions are made, the SDT is not required to spend unnecessary time in responding to all comments. The SDT will notify the commenters that a significant revision will be made and, as a result, an additional posting/ballot will be required. In all cases, prior to the final ballot, the SDT must consider and respond to all remaining comments. The drafting team believes the language included in Sections 4.12 and 4.13 do require what you suggest.</p> | | |
| Kansas City Power & Light | No | |
| HHWP | No | |
| MRO NSRF | Yes | Yes, we agree with these changes. We encourage the standard drafting team to |

| Organization | Yes or No | Question 1 Comment |
|---|-----------|---|
| | | <p>post the revised Reliability Standard for another 45 calendar day public comment period and ballot each time a stakeholder or balloter proposes a significant revision to the Reliability Standard during the formal comment period or concurrent Ballot that will improve the quality, clarity, or enforceability of that Reliability Standard.</p> |
| <p>Response: Thank you for your comments and support. The drafting team wishes to clarify that whether to include significant revisions is a decision to be made by the SDT. However, we believe that such revisions which do, in fact, improve the quality, clarity, or enforceability of the Reliability Standard are almost certain to be adopted by the SDT. There may be other decisions or options available which lead the SDT to select a different, equally effective option. The drafting team believes the new language proposed in Sections 4.12 and 4.13 do require what you suggest.</p> | | |
| SPP Standards Review Group | Yes | <p>While we understand the necessity of streamlining the process by cutting down on the number of responses made to comments, making this change leaves the impression that consideration for all comments received may not be given. We are accustomed to seeing responses to our comments posted in the next draft of a standard. However, the SPM does provide encouragement that all comments will be considered.</p> |
| <p>Response: Thank you for your comments and support.</p> | | |
| American Electric Power | Yes | <p>The text for 4.12 as provided in the comment form above is shown as 4.12 in the draft, and the text for 4.13 provided in the comment form above is shown as 4.12 in the draft. It would appear that the draft is incorrect and that the format provided in the comment form is correct.</p> |
| <p>Response: Thank you for your comments and support. We believe that you may have been referencing the June posting of the draft SPM which did have the order of Sections 4.12 and 4.13 reversed.</p> | | |
| Occidental Energy Ventures Corp | Yes | <p>Occidental Energy Ventures Corp (OEV) agrees that the elimination of a requirement to individually address each stakeholder comment could result in</p> |

| Organization | Yes or No | Question 1 Comment |
|---|-----------|--|
| | | substantial savings in development time. However, we are concerned that if some consideration is not demonstrated, most entities (including us) will likely re-submit the comment during the following review. If this consistently occurs, the result could be extra review cycles - and eliminate the benefit of not developing a response in the first place. |
| <p>Response: Thank you for your comments and support. We understand your concern and believe it is addressed by the ability of the commenter to either discuss their concerns during an open meeting or directly contact the drafting team to discuss their comments. Please note standard drafting team meetings are open to observers for discussion of multiple perspectives.</p> | | |
| Georgia System Operations Corporation | Yes | This is yes is contingent up additional clarity in providing the response to the comments. |
| <p>Response: Thank you for your support. Be assured that all comments will be addressed by the drafting teams.</p> | | |
| Oklahoma Gas & Electric | Yes | We understand the need to streamline the stakeholder process; however, the responses to comments can provide valuable information. We are in support of one response for multiple comments that are similar and that the option of not responding to comments be used only when significant changes are needed and additional ballots are conducted. |
| <p>Response: Thank you for your comments and support.</p> | | |
| EPSA | Yes | See comprehensive comments in Question 7 |
| NPCC | Yes | |
| ISO/RTO Council's Standards Review Committee | Yes | |
| Detroit Edison | Yes | |

| Organization | Yes or No | Question 1 Comment |
|--|-----------|--------------------|
| PPL Corporation NERC Registered Affiliates | Yes | |
| FirstEnergy | Yes | |
| JEA | Yes | |
| SERC Planning Standards Subcommittee | Yes | |
| Bonneville Power Administration | Yes | |
| Southern Company | Yes | |
| PacifiCorp | Yes | |
| Arizona Public Service Company | Yes | |
| Idaho Power Co. | Yes | |
| Public Service Enterprise Group | Yes | |
| Owensboro Municipal Utilities | Yes | |
| WECC | Yes | |
| The United Illuminating Company | Yes | |
| Essential Power, LLC | Yes | |
| Manitoba Hydro | Yes | |

| Organization | Yes or No | Question 1 Comment |
|--|-----------|--|
| CenterPoint Energy Houston Electric L.L.C. | Yes | |
| American Transmission Company | Yes | |
| NextEra Energy | Yes | |
| Pepco Holdings Inc | Yes | |
| City of Jacksonville Beach, FL dba/Beaches Energy Services | Yes | |
| Liberty Electric Power LLC | Yes | |
| Independent Electricity System Operator | Yes | |
| South Carolina Electric and Gas | Yes | |
| American Public Power Association | Yes | |
| CPS Energy | Yes | |
| Organization | Yes or No | Question 1 Comment |
| Western Small Entity Comment Group | No | The comment group objects to summary comment responses. We note that summary comment responses have already been used by some teams, and we find that our comments are not always summarized properly. When the team continues to provide a response, we find they may have not addressed our concerns at all. We fail to see how the summary response will result in an efficiency gain, since more ballots and comment periods will be needed to |

| Organization | Yes or No | Question 1 Comment |
|--|-----------|---|
| | | gather the needed affirmative votes. |
| <p>Response: The drafting team appreciates your comments. The SDT understands your recommendation and did discuss them. The team continues to support encouraging drafting teams to post a summary response during the informal feedback period that identifies how it used comments submitted by stakeholders, and points to Section 4.12 which requires, in part, that: “All comments received and all responses shall be publicly posted.” Additionally, during the balloting process, should you believe your comment was misunderstood or not addressed in the summary of comments, you can either discuss your concerns during an open meeting or directly contact the drafting team to discuss their comments. Please note standard drafting team meetings are open to observers for discussion of multiple perspectives. Additionally, during the balloting process, should your comment not be addressed or misunderstood, please note standard drafting team meetings are open to observers for discussion of multiple perspectives. Also available is the option to directly contact a drafting team chair or member to further discuss any concerns regarding comments.</p> | | |
| ACES Power Marketing Standards Collaborators | No | <p>(1) We simply do not believe that this proposal will have the intended effect of shortening the standards development process. In fact, we believe it will actually lengthen the standards development process in some cases. (2) While the proposal conceptually sounds like a reasonable approach, we are concerned that the actual implementation will result in comments that are not considered appropriately. We have observed that many drafting team’s have provided responses to our comments that have indicated they did not fully understand the comments. This results in issues that are raised repeatedly in the future comment phases. The current requirement that a drafting team has to respond to all comments creates a discipline that each comment is at least considered on a cursory basis. This proposal eliminates that discipline which means that comments will be even less likely to be given full consideration. While we understand that comments for some projects (CIP for example) have been so numerous that this approach is not workable for every project, we believe that responding to every comment in writing in most projects is still very manageable. This is especially true if the work is divided up among drafting team participants. Furthermore, even if the drafting team proposes a significant change that will result in an additional ballot per 4.13, we believe it makes sense</p> |

| Organization | Yes or No | Question 1 Comment |
|--|-----------|--|
| | | <p>to respond in writing to all comments to explain how the significant change addresses the comment. Otherwise, the same comment may be re-submitted to the drafting team during the next ballot.(3) The current standards development process has essentially become a “bring me a rock exercise”. The drafting team responds to comments and then posts for formal comment and ballot during the next phase. Commenters then submit additional comments often indicating some intricacy of the same or similar issue that the drafting team has not considered fully. Essentially, they say either you did not understand our comments or the proposed changes don’t fully address our comments. For major issues, we believe a better approach would be for the drafting team to reach out to commenters in between postings to ensure that the response to comments will address the issue. While this might slightly increase the time in between postings, it is likely to result in fewer postings which results in greater efficiencies. Because NERC requires the commenter to provide contact information when submitting comments, we cannot see any reason this outreach should not occur for the typical standards development effort.</p> |
| <p>Response: Thank you for your comments. In response to your first comment, it is recognized that it is your opinion that the process may not be shortened by the proposed SPM changes, however, the SCPS does believe that the changes will result in a shorter process and other process benefits. Specific to your second comment, the discipline to consider all comments is intended to continue. There are other options available should you feel that your comments are not specifically addressed. During the balloting process, should your comment not be addressed or misunderstood, please note standard drafting team meetings are open to observers for discussion of multiple perspectives. Also available is the option to directly contact a drafting team chair or member to further discuss any concerns regarding comments. The team continues to support encouraging drafting teams to post a summary response during the informal feedback period that identifies how it used comments submitted by stakeholders, and points to Section 4.12 which requires, in part, that: “All comments received and all responses shall be publicly posted.” Additionally, during the balloting process, should you believe your comment was misunderstood or not addressed in the summary of comments, you can either discuss your concerns during an open meeting or directly contact the drafting team to discuss their comments. Please note standard drafting team meetings are open to observers for discussion of multiple perspectives. The intent is for the SDT to use many informal sources of input for the creation of their draft consensus document BEFORE they draft the</p> | | |

| Organization | Yes or No | Question 1 Comment |
|---|-----------|---|
| <p>document and post it for comments and ballot. This process should result in a more robust draft that already contains the majority of the industry consensus input. Regarding your third comment to have the drafting team contact a commenter to discuss responses to their comments, this communication is already available and drafting teams have reached out to commenters to clarify their comment or a particular change would address their concern. Drafting teams are encouraged by NERC to contact commenters to gain better clarification of comments when needed. Your suggestion that the SDT should reach out to commenters is a good one and a revision will be made to the SPM draft to include such activities as a form of informal information gathering to be used between postings/ballots.</p> | | |
| <p>National Rural Electric Cooperative Association (NRECA)</p> | <p>No</p> | <p>NRECA strongly urges the SC to rethink the provisions related to SDT comment response processes. NRECA requests that the SPM be revised to require, not only encourage, a SDT to post a summary response that identifies how it used stakeholder comments in informal comment periods. Otherwise commenters will not know whether and how their comments were considered until possibly the end of the process. NRECA also strongly urges the SC to revise the SPM to require individual, not summary, comment responses during the final formal comment period. If these provisions are not addressed carefully, it could limit, or appear to limit, the ability of stakeholders to effectively participate in the standard development process. This could potentially bring about an increased number of appeals submitted to NERC due to stakeholders not believing their comments were properly addressed and responded to.</p> |
| <p>Response: Thank you for your comments. The SDT understands your recommendation and did discuss them. The team continues to support encouraging drafting teams to post a summary response during the informal feedback period that identifies how it used comments submitted by stakeholders, and points to Section 4.12 which requires, in part, that: “All comments received and all responses shall be publicly posted.” Additionally, during the balloting process, should you believe your comment was misunderstood or not addressed in the summary of comments, you can either discuss your concerns during an open meeting or directly contact the drafting team to discuss their comments. Please note standard drafting team meetings are open to observers for discussion of multiple perspectives.</p> | | |
| <p>Trans Bay Cable LLC</p> | <p>No</p> | <p>Since NERC is moving towards NOT COUNTING no votes without comment, then they are stating comments are required. If comments are required, then the drafting teams/NERC should directly respond to the comments. A lot of</p> |

| Organization | Yes or No | Question 1 Comment |
|---|-----------|---|
| | | <p>time, money, energy is spent in developing, reviewing and writing comments to provide feedback to standard drafting teams. If NERC would decide allow NEGATIVE or NO votes without comment I would support the recommendation. If significant changes are going to be made to a standard, then I agree a response is not required, but the entity who submitted the comment should be responded to stating their comment will be addressed in the updated standard. Again, a lot of time, effort and man power is put into reading, reviewing and responding to standards.</p> |
| <p>Response: This one needs input from the “No” vote team. I suggest also including the following: The drafting team reminds you that Section 4.12 of the draft SPM provides for the following: “Consideration of Comments 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.”</p> | | |
| Duke Energy | No | <p>Section 4.5 should require, not just encourage, summary responses to informal comments. This is an important part of the dialogue between the industry (those providing the informal comments) and the standard drafting team. Similarly, the standard drafting team should be required in section 4.12 to respond in writing with a summary of the significant revisions identified in consideration of comments submitted.</p> |
| <p>Response: Thank you for your comments. The SDT understands your recommendation and did discuss them. The team continues to support encouraging drafting teams to post a summary response during the informal feedback period that identifies how it used comments submitted by stakeholders, and points to Section 4.12 which requires, in part, that: “All comments received and all responses shall be publicly posted.” Additionally, during the balloting process, should you believe your comment was misunderstood or not addressed in the summary of comments, you can either discuss your concerns during an open meeting or directly contact the drafting team to discuss their comments. Please note standard drafting team meetings are open to observers for discussion of multiple perspectives.</p> | | |
| Ameren | No | <p>A summary response would be acceptable as long as all responses are easily</p> |

| Organization | Yes or No | Question 1 Comment |
|---|-----------|---|
| | | searchable under the commenting entity’s name; otherwise, there would be no easy way to learn of response to individual comments and also to compile responses to entity’s comments to disseminate internally to SMEs. |
| <p>Response: Thank you for your comments. Serious consideration was given to your recommendation; however, because the number of commenters may be voluminous, it may be impractical and administratively burdensome to require the drafting team to include all commenters’ names. The direction is not to make changes to the SPM to include this additional requirement.</p> | | |
| Consumers Energy | No | Consumers Energy believes it is best for the drafting team to respond to all comments as a normal course of action, as it is then clear to the commenting entity exactly what was done/not done to address their concerns. Also, an explanation of why the drafting team disagrees with a comment may clear up the reason for the comment so the entity making the comment does not carry it forward. |
| <p>Response: The drafting team appreciates your comments. The drafting teams are encouraged to provide responses to the written comments in a summary form where possible. The Drafting teams are also encouraged to post a summary response that identifies how it used comments submitted by stakeholders. The intent is to gather stakeholder feedback on a "working document" before the document reaches the point where it is considered the "final draft".</p> <p>Additionally, during the balloting process, should your comment not be addressed or misunderstood, please note standard drafting team meetings are open to observers for discussion of multiple perspectives. Also available is the option to directly contact a drafting team chair or member to further discuss any concerns regarding comments.</p> | | |
| Trans Bay Cable LLC | No | Having reviewed summarized comments posted from other standards, knowing the original comment provided and reading the "summarized" version, the meaning and intent of the original comment was lost. Comments should be posted as they are submitted. |

| Organization | Yes or No | Question 1 Comment |
|---|-----------|--|
| <p>Response: Thank you for your comments. The SDT points to Section 4.12 which requires, in part, that: “All comments received and all responses shall be publicly posted.” Additionally, during the balloting process, should you believe your comment was misunderstood or not addressed in the summary of comments, you can either discuss your concerns during an open meeting or directly contact the drafting team to discuss their comments. Please note standard drafting team meetings are open to observers for discussion of multiple perspectives.</p> | | |
| <p>Exelon Corporation and its affiliates</p> | <p>No</p> | <p>Exelon supports the revision to remove the 30 day time frame for informal comment periods. This is useful to give flexibility to the informal process. More frequent use of the informal comment periods to gather constructive input in the early stages allows the drafting team to utilize the iteration process without the burden of formal response to comment. More robust use of the informal stages could have been sufficient to render the revisions made to the response to comments provision unnecessary. No clear justification or reasoning is given for how the changes will expedite the development process. Presumably, the assumption is that if SDT members don’t have to spend so much time on responding to comments then they can continue with the drafting work. This may be exchanging a workload concern for potential quality and consensus building concerns. The response to comments serves a few purposes for entities - an acknowledgement of the entity voice, an indication of whether the SDT understood the comments, and as a tool for confirming language understanding. It is the communications process between the SDT and technical experts at the voting entities over the iterative process. Putting all responses at the end of the process in summary form may eliminate the value that the response to comments contributed to language development and getting to yes votes.</p> |
| <p>Response: Thank you for your comments and appreciates your support of the revisions to comments received during the informal feedback period. In large part, your comments correctly summarize the intent of the revisions to the SPM. However, please review the draft Sections 4.12 and 4.13 to see that all comments must be posted and all summary responses must be posted.</p> <p>There is no formal comment period concurrent with the Final Ballot and no obligation for the drafting team to respond to any</p> | | |

| Organization | Yes or No | Question 1 Comment |
|---|-----------|---|
| <p>comments submitted during the Final Ballot.</p> <p>If a stakeholder or ballotter proposes a significant revision to the 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 written comments received in the last Additional Ballot prior to conducting a Final Ballot.</p> <p>The drafting team agrees that communications is important to make the process successful.</p> | | |
| <p>Oncor Electric Delivery</p> | <p>No</p> | <p>Process OverviewOncor does not support the new commenting process as proposed. In Section 4.13 it states "If a stakeholder or ballotter proposes a significant revision to the 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." The proposed process also states that if the Standard Development Team chooses to post the revisions for additional comment and ballot that previous comments do not require a response in writing.Oncor takes the position that when a stakeholder submits a significant revision during the initial formal commenting period which improves the quality, clarity, or enforceability of a Reliability Standard, then, the drafting team would be remiss ["may choose"] not to consider the validity of the comments by providing a written response to stakeholder concerns and by allowing them to participate in an additional ballot.Oncor takes the position that the current language in the ROP should remain as follows."If a stakeholder or ballotter proposes a significant revision to the Reliability Standard during the formal comment period or concurrent initial ballot that will improve the quality, clarity, or enforceability of that Reliability Standard then the drafting team shall</p> |

| Organization | Yes or No | Question 1 Comment |
|---|-----------|--|
| | | make such revisions and post the revised Reliability Standard for another public comment period and ballot.” |
| <p>Response: Thank you for your comments. The drafting team wishes to clarify that whether to include significant revisions is a decision to be made by the SDT. However, we believe that such revisions which do, in fact, improve the quality, clarity, or enforceability of the Reliability Standard are almost certain to be adopted by the SDT. There may be other decisions or options available which lead the SDT to select a different, equally effective option. In any case, when significant revisions are made, the SDT is not required to spend unnecessary time in responding to all comments. The SDT will notify the commenters that a significant revision will be made and, as a result, an additional posting/ballot will be required. In all cases, prior to the final ballot, the SDT must consider and respond to all remaining comments. The drafting team believes the language included in Sections 4.12 and 4.13 do require what you suggest.</p> | | |
| Kansas City Power & Light | No | |
| HHWP | No | |
| MRO NSRF | Yes | Yes, we agree with these changes. We encourage the standard drafting team to post the revised Reliability Standard for another 45 calendar day public comment period and ballot each time a stakeholder or ballotter proposes a significant revision to the Reliability Standard during the formal comment period or concurrent Ballot that will improve the quality, clarity, or enforceability of that Reliability Standard. |
| <p>Response: Thank you for your comments and support. The drafting team wishes to clarify that whether to include significant revisions is a decision to be made by the SDT. However, we believe that such revisions which do, in fact, improve the quality, clarity, or enforceability of the Reliability Standard are almost certain to be adopted by the SDT. There may be other decisions or options available which lead the SDT to select a different, equally effective option. The drafting team believes the new language proposed in Sections 4.12 and 4.13 do require what you suggest.</p> | | |
| SPP Standards Review Group | Yes | While we understand the necessity of streamlining the process by cutting down on the number of responses made to comments, making this change leaves the impression that consideration for all comments received may not be given. We are accustomed to seeing responses to our comments posted in the next draft |

| Organization | Yes or No | Question 1 Comment |
|--|-----------|---|
| | | of a standard. However, the SPM does provide encouragement that all comments will be considered. |
| Response: Thank you for your comments and support. | | |
| American Electric Power | Yes | The text for 4.12 as provided in the comment form above is shown as 4.12 in the draft, and the text for 4.13 provided in the comment form above is shown as 4.12 in the draft. It would appear that the draft is incorrect and that the format provided in the comment form is correct. |
| Response: Thank you for your comments and support. We believe that you may have been referencing the June posting of the draft SPM which did have the order of Sections 4.12 and 4.13 reversed. | | |
| Occidental Energy Ventures Corp | Yes | Occidental Energy Ventures Corp (OEVC) agrees that the elimination of a requirement to individually address each stakeholder comment could result in substantial savings in development time. However, we are concerned that if some consideration is not demonstrated, most entities (including us) will likely re-submit the comment during the following review. If this consistently occurs, the result could be extra review cycles - and eliminate the benefit of not developing a response in the first place. |
| Response: Thank you for your comments and support. We understand your concern and believe it is addressed by the ability of the commenter to either discuss their concerns during an open meeting or directly contact the drafting team to discuss their comments. Please note standard drafting team meetings are open to observers for discussion of multiple perspectives. | | |
| Georgia System Operations Corporation | Yes | This is yes is contingent up additional clarity in providing the response to the comments. |
| Response: Thank you for your support. Be assured that all comments will be addressed by the drafting teams. | | |
| Oklahoma Gas & Electric | Yes | We understand the need to streamline the stakeholder process; however, the responses to comments can provide valuable information. We are in support of |

| Organization | Yes or No | Question 1 Comment |
|---|-----------|--|
| | | one response for multiple comments that are similar and that the option of not responding to comments be used only when significant changes are needed and additional ballots are conducted. |
| Response: Thank you for your comments and support. | | |
| EPSA | Yes | See comprehensive comments in Question 7 |
| NPCC | Yes | |
| ISO/RTO Council's Standards Review Committee | Yes | |
| Detroit Edison | Yes | |
| PPL Corporation NERC Registered Affiliates | Yes | |
| FirstEnergy | Yes | |
| JEA | Yes | |
| SERC Planning Standards Subcommittee | Yes | |
| Bonneville Power Administration | Yes | |
| Southern Company | Yes | |
| PacifiCorp | Yes | |

| Organization | Yes or No | Question 1 Comment |
|--|-----------|--------------------|
| Arizona Public Service Company | Yes | |
| Idaho Power Co. | Yes | |
| Public Service Enterprise Group | Yes | |
| Owensboro Municipal Utilities | Yes | |
| WECC | Yes | |
| The United Illuminating Company | Yes | |
| Essential Power, LLC | Yes | |
| Manitoba Hydro | Yes | |
| CenterPoint Energy Houston Electric L.L.C. | Yes | |
| American Transmission Company | Yes | |
| NextEra Energy | Yes | |
| Pepco Holdings Inc | Yes | |
| City of Jacksonville Beach, FL dba/Beaches Energy Services | Yes | |
| Liberty Electric Power LLC | Yes | |
| Independent Electricity System | Yes | |

| Organization | Yes or No | Question 1 Comment |
|-----------------------------------|-----------|--------------------|
| Operator | | |
| South Carolina Electric and Gas | Yes | |
| American Public Power Association | Yes | |
| CPS Energy | Yes | |

- In the first posted draft of the SPM, the SCPS proposed handling ‘no’ votes without comments or with unrelated comments in the way that ANSI recommends – by counting those votes toward quorum but not toward the calculation of consensus, with a detailed evaluation for determining whether a comment is relevant. With this proposed change, the SCPS was trying to encourage stakeholders to only submit the kind of constructive comments that help standard drafting teams improve the standard and reach technical consensus.**

Based on the comments received, the SPM has re-examined this issue and determined that the approach for evaluating the relevance of comments requires additional clarification, so it has eliminated the process for reviewing the relevance of comments from the proposed revisions. However, the SCPS has retained the concept of including ‘no’ ballots that are not accompanied by comments in the calculation of quorum, but not being counted in the calculation of consensus.

Do you support this modified proposal for handling ‘no’ votes?

Summary Consideration:

Although a number of commenters expressed concern about discounting negative ballots without comments in the determination or consensus, the SC believes that this is a necessary and reasonable step to provide drafting teams with the information needed to develop a consensus standard. All negative votes with comments, including those votes submitted by balloters that participated in the development of group comments, will count in the determination of both a quorum as well as consensus. Although some commenters identified that this may cause some balloters to submit meaningless comments with their ‘no’ vote, the SC believes that the opportunity to participate in submitting comments through one of the many industry groups that develop consensus comments provides stakeholders who do not wish to develop their own set of comments with opportunities to inform standard drafting teams of their concerns without resorting to such tactics.

Several commenters identified that during a Final ballot, there is no comment period. There is no obligation in the current SPM to accept comments during a recirculation ballot, and the proposed revisions to the SPM are consistent in that there is no comment period associated with a Final Ballot. Therefore, all ‘no’ votes submitted in a Final Ballot will count toward determination of both the quorum and consensus. Clarifying language and a new Footnote 24 have been inserted in section 4.11, to clarify this important point. Footnote 24 reads: *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 commented or supported the comments of other groups during prior Formal Comment periods.*

| Organization | Yes or No | Question 2 Comment |
|--|-----------|---|
| Detroit Edison | No | <p>On page 6- I disagree with the last part of the statement. the requirement to a add a comment to a negative vote should not be required. - A two-thirds majority of the weighted segmentSegment votes cast shall be affirmative. The number of votes cast is the sum of affirmative and negative votes with related comments or stated objections, excluding abstentions and, non-responses., negative votes without comments, and negative votes with unrelated comments.On page 27 under 4.11- requiring a comment for a negative vote is not acceptable</p> |
| <p>Response: Thank you for your comment. Participation in the NERC Ballot Pools comes with responsibility to participate and be helpful to the process. The value of any comment during the process cannot be underestimated and it is imperative to the NERC Standard Drafting Teams that they know why the entities voted negatively. It is not a burden and provides the drafters with the necessary information to know why their ballot did not achieve consensus and what may be done to improve the quality of the standard in an efficient manner. The reference to “related” comment included in the text box will be struck from the SPM.</p> | | |
| ACES Power Marketing Standards Collaborators | No | <p>(1) We believe that comments in response to the last posting indicated little support for discounting ‘no’ votes for any reason. Given the comments, we believe the drafting team should eliminate any plan to discount negative votes for any reason until evidence and analysis is presented that demonstrates that ‘no’ votes without supporting comments has delayed the standard development process significantly. (2) We disagree with counting discounted ‘no’ votes towards quorum. Some ‘no’ votes appropriately will not provide constructive feedback for how to improve the standard simply because the balloter believes the standard is unnecessary. Such a balloter may simply choose not to provide a comment because it only slows the drafting team down because they have to respond to the comment. It would be totally inappropriate to discount such a ‘no’ vote and then count it towards quorum.</p> |
| <p>Response: Thank you for your comment. The NERC SC has given further consideration to the matter and in this latest draft will not dismiss any no vote with a comment associated with it. The industry needs to be encouraged to submit comments that are helpful to the drafting teams writing the standards. Participation in the NERC Ballot Pools comes with responsibility to participate</p> | | |

| Organization | Yes or No | Question 2 Comment |
|--|-----------|--|
| <p>and be helpful to the process. The value of any comment during the process cannot be underestimated and it is imperative to the NERC Standard Drafting Teams that they know why the entities voted negatively. It is not a burden to either the drafting team or the commenter to review or provide a comment and provides the drafters with the necessary information to know why their ballot did not achieve consensus and what may be done to improve the quality of the standard in an efficient manner. Simply counting all the no votes and not knowing why the entities voted negatively provides no information to the drafting teams to consider making a revision to the satisfaction of these stakeholders. Casting a negative Ballot with no comment slows the process down and the drafting teams won't know what the issues are with the posted standards.</p> | | |
| SERC Planning Standards Subcommittee | No | Even if there are no comments included, a "No" vote should count in the calculation of consensus. |
| <p>Response: Thank you for your comment. Participation in the NERC Ballot Pools comes with responsibility to participate and be helpful to the process. The value of any comment during the process cannot be underestimated and it is imperative to the NERC Standard Drafting Teams that they know why the entities voted negatively. To submit no votes and not provide the drafting teams with a reason why leads to inefficiencies and contributes to poor productivity.</p> | | |
| Arizona Public Service Company | No | As proposed, essentially all “no” votes are subject to not being counted in the calculation of consensus. |
| <p>Response: Thank you for your comment however, the latest proposal only would dismiss those “no” votes without comment in the calculation of consensus. This attribute will encourage commenters to provide some information on why they voted negatively.</p> | | |
| Trans Bay Cable LLC | No | Per the ANSI standard document, their standards are "guidelines" for industry practice, such as seismic standards for buildings. It's not a "regulated" or "audited" standard that has possible financial penalties for violations. Also, within this same update, NERC is requesting to not respond to all comments, so not only do they want more comments, they don't want to respond to them either. |
| <p>Response: Thank you for your comment. The NERC SC recognizes the difference between ANSI standards and NERC Reliability Standards and it is because of these differences that it is vitally important to have the industry fully participate in the Standard</p> | | |

| Organization | Yes or No | Question 2 Comment |
|--|-----------|---|
| <p>development process by providing thoughtful comments that support their balloting position as a Ballot Pool Member. Although the NERC Standards Development Process is an ANSI accredited process, the NERC Reliability Standards are not filed with, nor approved by ANSI. Therefore a comparison between ANSI standards and NERC Reliability Standards is not an appropriate assessment to draw conclusions from on how the NERC Standard Development Process should be managed.</p> <p>There are different classes of comments. The most important of which is the comment causing a “no” vote. The drafting teams needs the information why an entity is voting against the standard and the industry needs to be encouraged to provide constructive comments in order to move the standards forward in an efficient manner. There is a difference between comments that come out during a ballot versus an informal comment period. The proposal is to consider all comments gathered during all comment periods to consider all concerns. However there will be informal comment periods where comments will not be responded to individually, rather, will be grouped by type and the drafting team is encouraged one response given to each type.</p> | | |
| Owensboro Municipal Utilities | No | OMU does not support the provision where negative votes are elimintated as part of the calculation of consensus, if these votes do not contain comments. |
| <p>Response: Thank you for your comment. Participation in the NERC Ballot Pools comes with responsibility to participate and be helpful to the process. The value of any comment during the process cannot be underestimated and it is imperative to the NERC Standard Drafting Teams that they know why the entities voted negatively. The drafting teams needs this information and the industry needs to be encouraged to provide constructive comments in order to move the standards forward in an efficient manner.</p> | | |
| NIPSCO | No | Comments should be related and relevent. |
| <p>Response: Thank you for your comment. As a first step towards ensuring relevancy of comments related to the proposal, NERC is proposing to accept all comments as qualifiers to count a “no” ballot towards consensus.</p> | | |
| Manitoba Hydro | No | Because the text related to negative votes without comments has been deleted from section 4.11 and not replaced with alternate wording, it is now not clear what will happen when someone submits a negative vote without comments.As a related question, we have several voting representative in our entity, but only submit one commenting form on the entity’s behalf. Will this be sufficient? |

| Organization | Yes or No | Question 2 Comment |
|---|-----------|--|
| <p>Response: Thank you for your comment. “No” ballots without comments will not be counted in the calculation of consensus. If an entity references comments made by others, that response will be sufficient to count the “no” ballot.</p> | | |
| <p>CenterPoint Energy Houston Electric L.L.C.</p> | <p>No</p> | <p>CenterPoint Energy does not agree with the modified proposal for handling "no" votes. The Company agrees with an incentive to provide constructive comments with an entity's "no" vote, however CenterPoint Energy strongly believes if a "no" vote is not to be counted in the calculation of consensus, then the vote should not count towards the calculation of quorum. CenterPoint Energy is concerned that this method has the potential to skew a ballot in favor of passage when that may not be the consensus of industry voters. In addition, the Company believes these "hidden" "no" votes should be posted so that an accurate picture of industry support for a project be displayed for all participants to view. CenterPoint Energy recommends if a "no" vote with no comments is not to be counted toward consensus then that vote should not be counted towards quorum.</p> |
| <p>Response: Thank you for your comment. Participation in the NERC Ballot Pools comes with responsibility to participate and be helpful to the process. The value of any comment during the process cannot be underestimated and it is imperative to the NERC Standard Drafting Teams that they know why the entities voted negatively. The drafting teams needs this information and the industry needs to be encouraged to provide constructive comments in order to move the standards forward in an efficient manner. NERC Standards Committee does not believe the burden outweighs the benefit of knowing the opinions of those negative ballot positions and why they voted “no”. NERC Standard Committee is not considering this attribute to skew the results of the ballot but rather to encourage comments that provide sufficient guidance to the drafting teams. Since the last draft of the SPM, the relevancy qualifier has been dropped and now “any” comment submitted that accompanies a no ballot will qualify that ballot to be counted. All details of the voting will be provided and a recommendation to identify those votes that did not include comments.</p> | | |
| <p>Lakeland Electric</p> | <p>No</p> | <p>Removal of the comments entry field from the ballot screen causes this proposal to be a problem. My concern is that this will cause a burden on the vote compilers to look in the comment files for comments that are related to the "no" or negative vote. One solution may be to provide some type of link to the comments when a negative</p> |

| Organization | Yes or No | Question 2 Comment |
|---|-----------|---|
| | | vote is entered. |
| <p>Response: Thank you for your comment. NERC Standards Committee is aware of this situation and NERC has committed the resources necessary to accurately identify negative votes with associated comments.</p> | | |
| Tri-State G & T | No | The SCPS should retain the concept of including ‘no’ ballots in the calculation of the consensus. |
| <p>Response: Thank you for your comment. Participation in the NERC Ballot Pools comes with responsibility to participate and be helpful to the process. The value of any comment during the process cannot be underestimated and it is imperative to the NERC Standard Drafting Teams that they know why the entities voted negatively. The drafting teams needs this information and the industry needs to be encouraged to provide constructive comments in order to move the standards forward in an efficient manner.</p> | | |
| South Carolina Electric and Gas | No | All votes should be counted in the calculation of consensus. |
| <p>Response: Thank you for your comment. Participation in the NERC Ballot Pools comes with responsibility to participate and be helpful to the process. The value of any comment during the process cannot be underestimated and it is imperative to the NERC Standard Drafting Teams that they know why the entities voted negatively. The drafting teams needs this information and the industry needs to be encouraged to provide constructive comments in order to move the standards forward in an efficient manner.</p> | | |
| SCE&G | No | All votes should be counted in the calculation of consensus. |
| <p>Response: Thank you for your comment. Participation in the NERC Ballot Pools comes with responsibility to participate and be helpful to the process. The value of any comment during the process cannot be underestimated and it is imperative to the NERC Standard Drafting Teams that they know why the entities voted negatively. The drafting teams needs this information and the industry needs to be encouraged to provide constructive comments in order to move the standards forward in an efficient manner.</p> | | |

| Organization | Yes or No | Question 2 Comment |
|--|-----------|--|
| Consumers Energy | No | <p>At this time, NERC's ballot tool does not include a mechanism for direct comments with the ballot. It has been stated that a new tool will be in place by the time these revisions take effect. However, until the tool is in place, there is no way to know for certain that the balloter will be able to directly attach comments to their ballot. Therefore, it is still feasible that a negative ballot would be submitted and that NERC would be unable to locate the related comments, thus rendering the ballot as 'no vote' for purposes of calculating the consensus.</p> |
| <p>Response: Thank you for your comment. NERC Standards Committee is aware of this situation and NERC has committed the resources necessary to accurately identify negative votes with associated comments.</p> | | |
| Trans Bay Cable LLC | No | <p>If industry isn't empowered to have a right for a "NO" or "Negative" vote to have the same weight as a yes vote, regardless of comments, it's no longer a "vote" and we are simply ceding all the authority to the drafting team and NERC when the intent of the legislation was for industry-approved standards. We realize and understand the guiding standards developed by other organizations adhere and support not counting "NO" votes without comment, but as stated by many the other industry standards are only guidelines and carry no punitive damages. Since NERC standards can and do carry punitive damages all registered voting entities should retain their voting rights to vote for or against any standard or revision without comment.</p> |
| <p>Response: Thank you for your comment. Participation in the NERC Ballot Pools comes with responsibility to actively participate and be helpful to the process. The value of any comment during the process cannot be underestimated and it is imperative to the NERC Standard Drafting Teams that they know why the entities voted negatively. The drafting teams needs this information and the industry needs to be encouraged to provide constructive comments in order to move the standards forward in an efficient manner. The current standards productivity is not meeting the expectations of the regulators and it is important that the drafting teams be given as much information as possible, especially information on why entities voted negatively, to develop standards efficiently and expeditiously. It is burdensome for the drafting teams to continually revise standards to try to gain industry consensus when they don't have all the concerns.</p> | | |

| Organization | Yes or No | Question 2 Comment |
|---|-----------|--|
| HHWP | No | This proposed handling of makes a ballot pool member non-response a more powerful negative voice than a "'no' votes without comments". A "'no' vote without comments" supports the development of a quorum and has no value in the majority vote count, whereas a ballot pool member non-response works against adoption through obstructing the development of a quorum. |
| <p>Response: Thank you for your comment. NERC Standards Committee recognizes this however the proposal is meant to encourage industry submittal of comments that are the issue of determining the “no” ballots. The value of any comment during the process cannot be underestimated and it is imperative to the NERC Standard Drafting Teams that they know why the entities voted negatively. The drafting teams needs this information and the industry needs to be encouraged to provide constructive comments in order to move the standards forward in an efficient manner. The goal is to provide the Standards Drafting teams with the best opportunity be successful in the development of a standard that supports the reliability objective in the shortest amount of time.</p> | | |
| Oncor Electric Delivery | No | Oncor does not support the proposal for the handling “no” votes. In Section 4.10, it states “Abstentions and, non-responses, and negative votes without comments shall not be counted for the purposes of determining the fractional affirmative vote for a Segment.” Section 4.10 also describes that a quorum is established by at least 75% of the members of the ballot pool submitting a response (which includes Negative votes without comment).The rationale used for the elimination of negative votes without comments is consistent with NERC’s ANSI accreditation, however, Oncor takes the position that the elimination of Negative votes without comments for the purpose of determining the fractional affirmative vote for a Segment encourages the submission of comments that serve no useful purpose, other than to fulfill the requirement for a comment to accompany a “No” vote. It appears to go against the spirit of fairness and transparency.Oncor takes the position that all votes should be counted for both the quorum and the establishment of the Affirmative vote. Oncor recommends the following language to support that position as prescribed in Section 4.10: “A quorum, which is established by at least 75% of the members of the ballot pool submitting a response with an affirmative vote, a negative vote, or an abstention.”Oncor also recommends that the appropriate software to support a more effective process for |

| Organization | Yes or No | Question 2 Comment |
|---|-----------|--|
| | | balloting, commenting and responding be designed and implemented as part of this initiative. The software should simplify the process for correlating “No” votes to comments in a way which supports the SDTs to be able to assemble comments and potential prioritize for review and implementation. Ultimately, streamline the process to ensure constructive input from the industry and be reviewed and potentially implemented to allow for an efficient standards development process. |
| <p>Response: Thank you for your comment. Participation in the NERC Ballot Pools comes with responsibility to participate and be helpful to the process. The value of any comment during the process cannot be underestimated and it is imperative to the NERC Standard Drafting Teams that they know why the entities voted negatively. The drafting teams needs this information and the industry needs to be encouraged to provide constructive comments in order to move the standards forward in an efficient manner. NERC Standards Committee is aware of the issues of correlation between “no” votes and comment and NERC has committed the resources necessary to accurately identify negative votes with associated comments.</p> | | |
| Kansas City Power & Light | No | |
| Western Small Entity Comment Group | Yes | The comment group agrees, but is concerned how no votes without comments are determined. It is no longer possible to submit comments along with a ballot; a separate process must be used. In addition, a balloter may rely on comments submitted by someone else within the same entity, another entity, or comments submitted by a group of entities. The individual name may not be present in the entity comments, or may have altered spelling if listed in group comments. Variations of entity names may also differ from ballot to comments. We expect these issues have or will be addressed. |
| <p>Response: Thank you for your comment. NERC Standards Committee is aware of the issues of correlation between “no” votes and comment and NERC has committed the resources necessary to accurately identify negative votes with associated comments.</p> | | |
| PPL Corporation NERC Registered Affiliates | Yes | The PPL Companies appreciate the work of the drafting team as it tries to create a process that encourages stakeholder participation in creating Standards that are carefully contemplated and well drafted. While the PPL Companies prefer that all |

| Organization | Yes or No | Question 2 Comment |
|--|-----------|--|
| | | <p>'no' votes be counted, regardless of whether they are accompanied by comments, we can support counting only those 'no' votes that are accompanied by comments, as long as there is not any 'litmus test' regarding the relevance of the comments. We believe that the approach for evaluating the relevance of comments does not require additional clarification (as stated in the question above), as this evaluation is unnecessary and should be removed entirely from the process. The PPL Companies also support the utilization of a tool that would alert submitters to the fact that they are submitting no comments along with their ballot, and to the consequences of such an action.</p> |
| <p>Response: Thank you for your comments. As a first step, the SPM will not apply a litmus test to ascertain a comment's relevancy or validity and proposes to count all "no" ballots with any comment. The suggestion for "alerting a balloter that comment is not included with a negative ballot and will therefore be dismissed" will be communicated to NERC Staff for possible incorporation to the balloting software.</p> | | |
| Bonneville Power Administration | Yes | BPA agrees that additional work needs to be done towards the approach of evaluating the relevance of the comments. |
| <p>Response: Thank you for your comments.</p> | | |
| EPSA | Yes | See comprehensive comments in Question 7 |
| <p>Response: Thank you for your comment. However EPSA's submittal to Question 7 has no specifics with respect to the "no" ballot counting.</p> | | |
| Occidental Energy Ventures Corp | Yes | <p>OEVC appreciates the project team's decision to remove the allowance for "No" votes with non-relevant comments to be discarded. As an active member in a Trade Association, OEVC will often refer to comments that they submit - and want to be sure that our input will count against the final tally. In addition, we were concerned that someone would make a value judgment on the applicability of our comments, which we believe is not appropriate.</p> |

| Organization | Yes or No | Question 2 Comment |
|---|-----------|--|
| <p>Response: Thank you for your comment and support of the proposal. Comments that refer to other’s comments will be deemed acceptable.</p> | | |
| Essential Power, LLC | Yes | The SC must ensure that the commenting function is included in the balloting software prior to implementing this change. |
| <p>Response: Thank you for your comment. NERC Standards Committee is aware and NERC has committed the resources necessary to accurately associate comments with ballots.</p> | | |
| Ameren | Yes | Please consider adding a pop-up window on the web portal to remind the voter that he/she is about to submit a ‘no’ vote without comments and as such the vote will only be counted in the calculation of quorum, and not in the calculation of consensus”. |
| <p>Response: Thank you for your comment. The suggestion for “alerting a balloter via a “pop-up window” that comment is not included with a negative ballot and will therefore be dismissed” will be communicated to NERC Staff for possible incorporation to the balloting software.</p> | | |
| Liberty Electric Power LLC | Yes | 1. There is still language in the section on rationale which discusses the 'relevance' of a comment, this should be deleted.2. Current comment procedure requires the submission of a comment form outside of the voting process. The disqualification of no votes without comment should not occur until there is a process for submitting comments during the vote. Further, comment forms have been quite lengthy at times with dozens of questions. There needs to be a simple method of commenting which assures a commenter will have his no vote counted. Comment forms such as the CIP form, which covers multiple standards, should be disallowed so there is no confusion in this process. |
| <p>Response: Thank you for your comment.</p> | | |

| Organization | Yes or No | Question 2 Comment |
|--|-----------|---|
| <p>1. Conforming changes will be made to the process manual to be consistent with the latest proposal.</p> <p>2. The identified shortcomings of the NERC software has been communicated by NERC Standards Committee to NERC staff as suggestions for potential revision to the existing balloting software.</p> | | |
| American Electric Power | Yes | AEP has no objections as currently proposed, however the comment field was removed from balloting earlier this year, and it remains to be seen what approach would be taken to reference and acknowledge comments made using the electronic comment form. |
| <p>Response: Thank you for your comment. NERC Standards Committee is aware of the commenting issue and NERC has committed the resources necessary to accurately associate comments with ballots. The identified shortcomings of the NERC software has been communicated by NERC Standards Committee to NERC staff as suggestions for potential revision to the existing balloting software.</p> | | |
| Tacoma Power | Yes | Tacoma Power supports the proposed handling of ‘no’ votes without comments. The process should not be hindered by actions, such as a ‘no’ vote without comment, that are not productive to building an industry consensus. However, it should be noted that the ability to submit comments with votes has recently been deleted from the process. In addition, there is no current method to link a submitted comment under the commenting process with a vote. Therefore the ability to submit comments with votes must be reinstated. |
| <p>Response: Thank you for your comment. NERC Standards Committee is aware of the commenting issue and NERC staff has committed the resources necessary to accurately associate comments with ballots. The identified shortcomings of the NERC software has been communicated by NERC Standards Committee to NERC staff as suggestions for potential revision to the existing balloting software.</p> | | |
| NPCC | Yes | |
| MRO NSRF | Yes | |

| Organization | Yes or No | Question 2 Comment |
|---------------------------------------|-----------|--------------------|
| SPP Standards Review Group | Yes | |
| FirstEnergy | Yes | |
| JEA | Yes | |
| Southern Company | Yes | |
| PacifiCorp | Yes | |
| Idaho Power Co. | Yes | |
| Public Service Enterprise Group | Yes | |
| Duke Energy | Yes | |
| WECC | Yes | |
| The United Illuminating Company | Yes | |
| Georgia System Operations Corporation | Yes | |
| American Transmission Company | Yes | |
| NextEra Energy | Yes | |
| Pepco Holdings Inc | Yes | |

| Organization | Yes or No | Question 2 Comment |
|---|-----------|---|
| City of Jacksonville Beach, FL dba/Beaches Energy Services | Yes | |
| Oklahoma Gas & Electric | Yes | |
| Independent Electricity System Operator | Yes | |
| American Public Power Association | Yes | |
| CPS Energy | Yes | |
| Dominion | Yes | |
| ISO/RTO Council's Standards Review Committee | | <p>Regarding the No voting without responses, we recommend NERC change their tool such that the submitter gets an error message unless something is included in the comments field. We find it problematic for the tool to accept a No vote without comments and then exclude the No vote in the opposition count without providing notification to the submitter that their vote will not be counted. As currently drafted and without the changes to the tool, there are inconsistencies between Sections 4.10 and 4.11. Section 4.11 removed the reference that allowed a ballot pool member to submit a negative vote without comment. However, Section 4.10 indicates that negative votes without comments can be submitted but they will not be counted in determining the consensus but will be used in determining quorum. The two sections are inconsistent.</p> |
| <p>Response: Thank you for your comment. The suggestion for “alerting a balloter via a “pop-up window” that comment is not included with a negative ballot and will therefore be dismissed” will be communicated to NERC Staff for possible incorporation to the balloting software.</p> | | |

| Organization | Yes or No | Question 2 Comment |
|--|-----------|---|
| | | |
| Exelon Corporation and its affiliates | | Exelon accepts the move to require comments with negative votes, though the balloting portal must be revised to accommodate this new requirement. |
| <p>Response: Thank you for your comment. NERC Standards Committee is aware of the commenting issue and NERC staff has committed the resources necessary to accurately associate comments with ballots. The identified shortcomings of the NERC software has been communicated by NERC Standards Committee to NERC staff as suggestions for potential revision to the existing balloting software.</p> | | |

3. **Many stakeholders supported the SCPS's proposal to move measures from standards into Reliability Standards Audit Worksheets (RSAWs), as in most cases, measures included in standards are little more than a repeat of the requirement (offering little value to registered entities and compliance auditors).**

Under the proposed new process, measures will indeed be moved from standards to RSAWs, and the standard drafting team and compliance staff will collaborate to develop the RSAW alongside the standard to ensure consistency from early on in the standards project. As proposed in the first posting, the RSAW will then be posted alongside the standard during the final 45-day comment period, and the RSAW will be subject to a non-binding poll and ultimately presented to NERC's BOT for information. This process is already being piloted, and lessons learned during the pilot will be applied if this proposed process continues.

Do you support the proposal to move measures to RSAWs and have drafting teams and compliance staff collaborate on RSAW development, as proposed in the first posting and again in the latest posted revisions to the SPM?

Summary Consideration:

Individual commenters were provided with the following response:

The SCPS thanks all commenters for their input concerning the removal of Measures from the Reliability Standards and the collaborative development of RSAWs between the Standard Drafting Teams and the NERC Compliance Department. Although the majority of the commenters supported the proposed process, the Standard Process Manual has been revised to retain the Measures in the Reliability Standards and eliminate the language describing SDT involvement in the development of the RSAWs. This revision comes at the request of the NERC Compliance Organization to allow sufficient time for the development of the 'Reliability Assurance Initiative' which includes a review of the existing RSAW content, development process and use by the industry and ERO Compliance Organizations. This time also allows the more focused review of the Standards Development Process that was recently discussed at the NERC MRC and BOT meetings in New Orleans.

Therefore, the SPM has been revised to eliminate all references to the development of RSAWs. The collaboration between the SDT and the NERC Compliance Organization will continue through the development of the Measures and any accompanying Compliance documents.

Based on the majority of the commenters' responses and the initial ballot results, the industry supports the SCPS in continuing the pursuit of the elimination of the Measures from the Reliability Standards and establishing the process for the collaborative (SDT &

Compliance) development of the companion RSAW during the Standard Development Process. As the details of the ‘Reliability Assurance Initiative’ are finalized, the SC and SCPS will work with the NERC Compliance Organization to continue the collaboration between the SDTs and the Compliance Organization to produce the accompanying Compliance documents that support the Reliability Standards.

| Organization | Yes or No | Question 3 Comment |
|---|-----------|---|
| NPCC | No | <p>Comments: It is important for Stakeholders to be able to provide input into the Measures via the Reliability Standards, specifically to ensure there are not additional Requirements inadvertently incorporated into the RSAWs. Because there is no obligation for NERC to include comments from the Stakeholders in the RSAWs, the Measures should not be moved from the Standards development process.</p> |
| <p>Response: The SCPS thanks all commenters for their input concerning the removal of Measures from the Reliability Standards and the collaborative development of RSAWs between the Standard Drafting Teams and the NERC Compliance Department. Although the majority of the commenters supported the proposed process, the Standard Process Manual has been revised to retain the Measures in the Reliability Standards and eliminate the language describing SDT involvement in the development of the RSAWs. This revision comes at the request of the NERC Compliance Organization to allow sufficient time for the development of the ‘Reliability Assurance Initiative’ which includes a review of the existing RSAW content, development process and use by the industry and ERO Compliance Organizations. This time also allows the more focused review of the Standards Development Process that was recently discussed at the NERC MRC and BOT meetings in New Orleans.</p> <p>Therefore, the SPM has been revised to eliminate all references to the development of RSAWs. The collaboration between the SDT and the NERC Compliance Organization will continue through the development of the Measures and any accompanying Compliance documents.</p> | | |
| ISO/RTO Council's Standards Review Committee | No | <p>We believe it is important for Stakeholders to be able to provide input into the Measures via the Reliability Standards, specifically to ensure there are not additional Requirements inadvertently incorporated into the RSAWs. Since, there is no obligation for NERC to include comments from the Stakeholders in the RSAWs, we do</p> |

| Organization | Yes or No | Question 3 Comment |
|---|-----------|---|
| | | not support moving the Measures from the Standards development process. |
| <p>Response: The SCPS thanks all commenters for their input concerning the removal of Measures from the Reliability Standards and the collaborative development of RSAWs between the Standard Drafting Teams and the NERC Compliance Department. Although the majority of the commenters supported the proposed process, the Standard Process Manual has been revised to retain the Measures in the Reliability Standards and eliminate the language describing SDT involvement in the development of the RSAWs. This revision comes at the request of the NERC Compliance Organization to allow sufficient time for the development of the ‘Reliability Assurance Initiative’ which includes a review of the existing RSAW content, development process and use by the industry and ERO Compliance Organizations. This time also allows the more focused review of the Standards Development Process that was recently discussed at the NERC MRC and BOT meetings in New Orleans.</p> <p>Therefore, the SPM has been revised to eliminate all references to the development of RSAWs. The collaboration between the SDT and the NERC Compliance Organization will continue through the development of the Measures and any accompanying Compliance documents.</p> | | |
| PPL Corporation NERC Registered Affiliates | No | The PPL Companies believe it is important for Stakeholders to be able to provide input into the Measures via the Reliability Standards, specifically to ensure there are not additional Requirements inadvertently incorporated into the RSAWs. Since, there is no obligation for NERC to include comments from the Stakeholders in the RSAWs, the PPL Companies do not support moving the Measures from the Standards development process. |
| <p>Response: The SCPS thanks all commenters for their input concerning the removal of Measures from the Reliability Standards and the collaborative development of RSAWs between the Standard Drafting Teams and the NERC Compliance Department. Although the majority of the commenters supported the proposed process, the Standard Process Manual has been revised to retain the Measures in the Reliability Standards and eliminate the language describing SDT involvement in the development of the RSAWs. This revision comes at the request of the NERC Compliance Organization to allow sufficient time for the development of the ‘Reliability Assurance Initiative’ which includes a review of the existing RSAW content, development process and use by the industry and ERO Compliance Organizations. This time also allows the more focused review of the Standards Development Process that was recently discussed at the NERC MRC and BOT meetings in New Orleans.</p> | | |

| Organization | Yes or No | Question 3 Comment |
|---|-----------|--|
| <p>Therefore, the SPM has been revised to eliminate all references to the development of RSAWs. The collaboration between the SDT and the NERC Compliance Organization will continue through the development of the Measures and any accompanying Compliance documents.</p> | | |
| <p>SERC Planning Standards Subcommittee</p> | <p>No</p> | <p>We continue to feel that the measures should remain with the standards. Since there is a potential for the measures to modify requirements, the measures should remain subject to industry approval.</p> |
| <p>Response: The SCPS thanks all commenters for their input concerning the removal of Measures from the Reliability Standards and the collaborative development of RSAWs between the Standard Drafting Teams and the NERC Compliance Department. Although the majority of the commenters supported the proposed process, the Standard Process Manual has been revised to retain the Measures in the Reliability Standards and eliminate the language describing SDT involvement in the development of the RSAWs. This revision comes at the request of the NERC Compliance Organization to allow sufficient time for the development of the ‘Reliability Assurance Initiative’ which includes a review of the existing RSAW content, development process and use by the industry and ERO Compliance Organizations. This time also allows the more focused review of the Standards Development Process that was recently discussed at the NERC MRC and BOT meetings in New Orleans.</p> <p>Therefore, the SPM has been revised to eliminate all references to the development of RSAWs. The collaboration between the SDT and the NERC Compliance Organization will continue through the development of the Measures and any accompanying Compliance documents.</p> | | |
| <p>Southern Company</p> | <p>No</p> | <p>The proposed revisions must provide more clarity on the parallel development of Reliability Standards Audit Worksheets (RSAWs) and Reliability Standards. The Standards Committee Process Subcommittee’s consideration of initial comments to the first posting of the revised SPM indicate that RSAWs will be posted for industry review and that the new process will include a non-binding poll during the final 45 day comment/ballot period to gauge industry support. We concur with this approach but it is not clear how the latest draft of the SPM incorporates this concept. We do note that Section 3.10 explains how RSAWs will be developed through collaboration</p> |

| Organization | Yes or No | Question 3 Comment |
|---|-----------|---|
| | | <p>of standards drafting teams and NERC Compliance Staff. Additionally, we note that footnote 20 provides more detail in this regard. The uncertainty over where and how stakeholders will have an opportunity to participate should be codified in the illustration provided in the Process for Developing or Modifying a Reliability Standard (Section 4.0, Figure 1).</p> |
| <p>Response: The SCPS thanks all commenters for their input concerning the removal of Measures from the Reliability Standards and the collaborative development of RSAWs between the Standard Drafting Teams and the NERC Compliance Department. Although the majority of the commenters supported the proposed process, the Standard Process Manual has been revised to retain the Measures in the Reliability Standards and eliminate the language describing SDT involvement in the development of the RSAWs. This revision comes at the request of the NERC Compliance Organization to allow sufficient time for the development of the ‘Reliability Assurance Initiative’ which includes a review of the existing RSAW content, development process and use by the industry and ERO Compliance Organizations. This time also allows the more focused review of the Standards Development Process that was recently discussed at the NERC MRC and BOT meetings in New Orleans.</p> <p>Therefore, the SPM has been revised to eliminate all references to the development of RSAWs. The collaboration between the SDT and the NERC Compliance Organization will continue through the development of the Measures and any accompanying Compliance documents.</p> | | |
| PacifiCorp | No | <p>PacifiCorp does not support the proposal to move measures to RSAWs as revisions to RSAWs are not subject to the same standards balloting process. The absence of a binding process for the rejection or approval of revisions to the RSAW could create inconsistency between the way a standard is written and the way it is measured in the RSAW. PacifiCorp prefers that the measures remain in the standards template to ensure that changes to a standard and to the way a standard is measured are evaluated concurrently within the same document.</p> |
| <p>Response: The SCPS thanks all commenters for their input concerning the removal of Measures from the Reliability Standards and the collaborative development of RSAWs between the Standard Drafting Teams and the NERC Compliance Department. Although the majority of the commenters supported the proposed process, the Standard Process Manual has been revised to retain the Measures</p> | | |

| Organization | Yes or No | Question 3 Comment |
|---|-----------|---|
| | | <p>in the Reliability Standards and eliminate the language describing SDT involvement in the development of the RSAWs. This revision comes at the request of the NERC Compliance Organization to allow sufficient time for the development of the ‘Reliability Assurance Initiative’ which includes a review of the existing RSAW content, development process and use by the industry and ERO Compliance Organizations. This time also allows the more focused review of the Standards Development Process that was recently discussed at the NERC MRC and BOT meetings in New Orleans.</p> <p>Therefore, the SPM has been revised to eliminate all references to the development of RSAWs. The collaboration between the SDT and the NERC Compliance Organization will continue through the development of the Measures and any accompanying Compliance documents.</p> |
| Arizona Public Service Company | No | While we fully support the development and revision of RSAWs by the drafting team at the time of the development/revision, until such time as all Standards are accompanied by RSAWs, the measures within the Standards are a helpful tool for industry to determine auditor focus and intent. |
| | | <p>Response: The SCPS thanks all commenters for their input concerning the removal of Measures from the Reliability Standards and the collaborative development of RSAWs between the Standard Drafting Teams and the NERC Compliance Department. Although the majority of the commenters supported the proposed process, the Standard Process Manual has been revised to retain the Measures in the Reliability Standards and eliminate the language describing SDT involvement in the development of the RSAWs. This revision comes at the request of the NERC Compliance Organization to allow sufficient time for the development of the ‘Reliability Assurance Initiative’ which includes a review of the existing RSAW content, development process and use by the industry and ERO Compliance Organizations. This time also allows the more focused review of the Standards Development Process that was recently discussed at the NERC MRC and BOT meetings in New Orleans.</p> <p>Therefore, the SPM has been revised to eliminate all references to the development of RSAWs. The collaboration between the SDT and the NERC Compliance Organization will continue through the development of the Measures and any accompanying Compliance documents.</p> |
| National Rural Electric Cooperative Association | No | The elimination of Measures from the standards and effectively replacing them with RSAWs creates several issues of concern. With Measures currently a part of the |

| Organization | Yes or No | Question 3 Comment |
|---|-----------|--|
| (NRECA) | | <p>standard there is certainty of these provisions since they cannot be changed outside of the standard development process. RSAWs, on the other hand, are controlled by NERC compliance staff and they can be updated outside of the standard development process. NRECA is concerned that after the proposed SDT role of working collaboratively with NERC compliance on RSAW development, the RSAWs can be revised without the consultation and straw poll provisions of the proposed SPM. There is currently no assurance that NERC compliance will work to avoid revising the RSAWs after the SDT’s role is complete. One possible solution if the SDT is no longer in place to perform this task would be to seek SC concurrence with any future RSAW changes. Additionally, it’s still unclear what the roles are for NERC staff and the SDTs regarding RSAW development. NRECA requests that further structure be added to the SPM on the respective roles of NERC compliance and the SDTs regarding RSAW development. Without this NRECA is unsure of the role that SDTs will have in this important role. Footnote 7 - The inclusion of the word “technically” potentially creates confusion as it is used here to qualify whether something is part of a standard or not. Something is either part of the standard or not - eliminate the word “technically” from the second line of the footnote. Footnote 33 - In the second line it states that the RSAWs “may” have a non-binding poll. NRECA requests that this be revised to require that a non-binding poll on RSAWs be conducted, similar to how VSLs/VRFs are handled today.</p> |
| <p>Response: The SCPS thanks all commenters for their input concerning the removal of Measures from the Reliability Standards and the collaborative development of RSAWs between the Standard Drafting Teams and the NERC Compliance Department. Although the majority of the commenters supported the proposed process, the Standard Process Manual has been revised to retain the Measures in the Reliability Standards and eliminate the language describing SDT involvement in the development of the RSAWs. This revision comes at the request of the NERC Compliance Organization to allow sufficient time for the development of the ‘Reliability Assurance Initiative’ which includes a review of the existing RSAW content, development process and use by the industry and ERO Compliance Organizations. This time also allows the more focused review of the Standards Development Process that was recently discussed at the NERC MRC and BOT meetings in New Orleans.</p> | | |

| Organization | Yes or No | Question 3 Comment |
|---|-----------|---|
| <p>Therefore, the SPM has been revised to eliminate all references to the development of RSAWs. The collaboration between the SDT and the NERC Compliance Organization will continue through the development of the Measures and any accompanying Compliance documents.</p> | | |
| <p>Duke Energy</p> | <p>No</p> | <p>Measures should be kept in the standard itself due to the fact that the RSAWs can be changed without industry input after the standard has been approved, but measures are currently an element of the reliability standard subject to industry vote, Board of Trustee and FERC approval. Keeping the measures as part of the Reliability Standard itself provides compliance certainty and ensures they are considered during the Quality Review, ultimately resulting in greater consistency and higher quality of the measures and the standard overall. This change would necessitate adding the Measures to section 4.6 Conduct Quality Review.</p> |
| <p>Response: The SCPS thanks all commenters for their input concerning the removal of Measures from the Reliability Standards and the collaborative development of RSAWs between the Standard Drafting Teams and the NERC Compliance Department. Although the majority of the commenters supported the proposed process, the Standard Process Manual has been revised to retain the Measures in the Reliability Standards and eliminate the language describing SDT involvement in the development of the RSAWs. This revision comes at the request of the NERC Compliance Organization to allow sufficient time for the development of the ‘Reliability Assurance Initiative’ which includes a review of the existing RSAW content, development process and use by the industry and ERO Compliance Organizations. This time also allows the more focused review of the Standards Development Process that was recently discussed at the NERC MRC and BOT meetings in New Orleans.</p> <p>Therefore, the SPM has been revised to eliminate all references to the development of RSAWs. The collaboration between the SDT and the NERC Compliance Organization will continue through the development of the Measures and any accompanying Compliance documents.</p> | | |
| <p>Georgia System Operations Corporation</p> | <p>No</p> | <p>This would be acceptable if the industry had the right to approve the RSAWs.</p> |
| <p>Response: The SCPS thanks all commenters for their input concerning the removal of Measures from the Reliability Standards and the collaborative development of RSAWs between the Standard Drafting Teams and the NERC Compliance Department. Although the</p> | | |

| Organization | Yes or No | Question 3 Comment |
|--|-----------|--|
| <p>majority of the commenters supported the proposed process, the Standard Process Manual has been revised to retain the Measures in the Reliability Standards and eliminate the language describing SDT involvement in the development of the RSAWs. This revision comes at the request of the NERC Compliance Organization to allow sufficient time for the development of the ‘Reliability Assurance Initiative’ which includes a review of the existing RSAW content, development process and use by the industry and ERO Compliance Organizations. This time also allows the more focused review of the Standards Development Process that was recently discussed at the NERC MRC and BOT meetings in New Orleans.</p> <p>Therefore, the SPM has been revised to eliminate all references to the development of RSAWs. The collaboration between the SDT and the NERC Compliance Organization will continue through the development of the Measures and any accompanying Compliance documents.</p> | | |
| Manitoba Hydro | No | <p>If the measures are to be moved into the RSAWs then there should be a binding vote on the RSAWs. There is no obligation by compliance staff and the SDT to make modifications based on comments submitted in non-binding polls. As an example, even though draft CANs are posted for comment, very few comments are ever incorporated into the CANs. A binding poll on measures, whether they are in the standards or RSAWs, will lead to measures that are more acceptable to industry as a whole.</p> |
| <p>Response: The SCPS thanks all commenters for their input concerning the removal of Measures from the Reliability Standards and the collaborative development of RSAWs between the Standard Drafting Teams and the NERC Compliance Department. Although the majority of the commenters supported the proposed process, the Standard Process Manual has been revised to retain the Measures in the Reliability Standards and eliminate the language describing SDT involvement in the development of the RSAWs. This revision comes at the request of the NERC Compliance Organization to allow sufficient time for the development of the ‘Reliability Assurance Initiative’ which includes a review of the existing RSAW content, development process and use by the industry and ERO Compliance Organizations. This time also allows the more focused review of the Standards Development Process that was recently discussed at the NERC MRC and BOT meetings in New Orleans.</p> <p>Therefore, the SPM has been revised to eliminate all references to the development of RSAWs. The collaboration between the SDT and the NERC Compliance Organization will continue through the development of the Measures and any accompanying Compliance</p> | | |

| Organization | Yes or No | Question 3 Comment |
|---|-----------|---|
| documents. | | |
| Lakeland Electric | No | I support FMPA comments on this question |
| Response: Thank you for your comment. However FMPA did not provide comments to this question. | | |
| Ameren | No | (1) Because the RSAW including the measures would be subject only to a non-binding poll, and the SDT is not required to respond to stakeholder comments we provided for the RSAW/Measures. Therefore, we prefer measures to continue as a part of the standard. (2) We also want to guard against additional requirements which may creep into the RSAW/Measures resulting in a scope change of the standard with a non-binding vote. |
| <p>Response: The SCPS thanks all commenters for their input concerning the removal of Measures from the Reliability Standards and the collaborative development of RSAWs between the Standard Drafting Teams and the NERC Compliance Department. Although the majority of the commenters supported the proposed process, the Standard Process Manual has been revised to retain the Measures in the Reliability Standards and eliminate the language describing SDT involvement in the development of the RSAWs. This revision comes at the request of the NERC Compliance Organization to allow sufficient time for the development of the ‘Reliability Assurance Initiative’ which includes a review of the existing RSAW content, development process and use by the industry and ERO Compliance Organizations. This time also allows the more focused review of the Standards Development Process that was recently discussed at the NERC MRC and BOT meetings in New Orleans.</p> <p>Therefore, the SPM has been revised to eliminate all references to the development of RSAWs. The collaboration between the SDT and the NERC Compliance Organization will continue through the development of the Measures and any accompanying Compliance documents.</p> | | |
| Tri-State G & T | No | This is only acceptable if the RSAW is available as a part of the standard, otherwise the entity may not have ready and reasonable access to the expected evidence to show compliance. |
| Response: The SCPS thanks all commenters for their input concerning the removal of Measures from the Reliability Standards and | | |

| Organization | Yes or No | Question 3 Comment |
|-------------------------|-----------|---|
| | | <p>the collaborative development of RSAWs between the Standard Drafting Teams and the NERC Compliance Department. Although the majority of the commenters supported the proposed process, the Standard Process Manual has been revised to retain the Measures in the Reliability Standards and eliminate the language describing SDT involvement in the development of the RSAWs. This revision comes at the request of the NERC Compliance Organization to allow sufficient time for the development of the ‘Reliability Assurance Initiative’ which includes a review of the existing RSAW content, development process and use by the industry and ERO Compliance Organizations. This time also allows the more focused review of the Standards Development Process that was recently discussed at the NERC MRC and BOT meetings in New Orleans.</p> <p>Therefore, the SPM has been revised to eliminate all references to the development of RSAWs. The collaboration between the SDT and the NERC Compliance Organization will continue through the development of the Measures and any accompanying Compliance documents.</p> |
| Oklahoma Gas & Electric | No | <p>After further review, we prefer that measures be included in the Standard instead of the RSAW. We do support the RSAW development during the drafting of the Standard since those two documents should be lock-step.</p> |
| | | <p>Response: The SCPS thanks all commenters for their input concerning the removal of Measures from the Reliability Standards and the collaborative development of RSAWs between the Standard Drafting Teams and the NERC Compliance Department. Although the majority of the commenters supported the proposed process, the Standard Process Manual has been revised to retain the Measures in the Reliability Standards and eliminate the language describing SDT involvement in the development of the RSAWs. This revision comes at the request of the NERC Compliance Organization to allow sufficient time for the development of the ‘Reliability Assurance Initiative’ which includes a review of the existing RSAW content, development process and use by the industry and ERO Compliance Organizations. This time also allows the more focused review of the Standards Development Process that was recently discussed at the NERC MRC and BOT meetings in New Orleans.</p> <p>Therefore, the SPM has been revised to eliminate all references to the development of RSAWs. The collaboration between the SDT and the NERC Compliance Organization will continue through the development of the Measures and any accompanying Compliance documents.</p> |
| Oncor Electric Delivery | No | <p>Oncor takes the position that since the RSAW is in itself, not subject to approval by</p> |

| Organization | Yes or No | Question 3 Comment |
|---|-----------|---|
| | | <p>the standards development process, the validity and effectiveness of the measures could be better served by not placing them in the RSAW, but retaining them in the standards and by performing selected improvements to their clarity and their relativeness.</p> |
| <p>Response: The SCPS thanks all commenters for their input concerning the removal of Measures from the Reliability Standards and the collaborative development of RSAWs between the Standard Drafting Teams and the NERC Compliance Department. Although the majority of the commenters supported the proposed process, the Standard Process Manual has been revised to retain the Measures in the Reliability Standards and eliminate the language describing SDT involvement in the development of the RSAWs. This revision comes at the request of the NERC Compliance Organization to allow sufficient time for the development of the ‘Reliability Assurance Initiative’ which includes a review of the existing RSAW content, development process and use by the industry and ERO Compliance Organizations. This time also allows the more focused review of the Standards Development Process that was recently discussed at the NERC MRC and BOT meetings in New Orleans.</p> <p>Therefore, the SPM has been revised to eliminate all references to the development of RSAWs. The collaboration between the SDT and the NERC Compliance Organization will continue through the development of the Measures and any accompanying Compliance documents.</p> | | |
| SPP Standards Review Group | Yes | <p>We very much appreciate the effort to include the drafting teams in the development of the RSAWs in conjunction with NERC compliance and enforcement staff. This will work great on the initial development of the standard and associated RSAW. We do have concerns that down the road there may be changes to the RSAW such that it may no longer be compatible with the standard. The only way to ensure that the content of the RSAW remains consistent with the standard is to involve the drafting team whenever changes are made to the RSAW.</p> |
| <p>Response: The SCPS thanks all commenters for their input concerning the removal of Measures from the Reliability Standards and the collaborative development of RSAWs between the Standard Drafting Teams and the NERC Compliance Department. Although the majority of the commenters supported the proposed process, the Standard Process Manual has been revised to retain the Measures in the Reliability Standards and eliminate the language describing SDT involvement in the development of the RSAWs. This revision</p> | | |

| Organization | Yes or No | Question 3 Comment |
|--|-----------|---|
| | | <p>comes at the request of the NERC Compliance Organization to allow sufficient time for the development of the ‘Reliability Assurance Initiative’ which includes a review of the existing RSAW content, development process and use by the industry and ERO Compliance Organizations. This time also allows the more focused review of the Standards Development Process that was recently discussed at the NERC MRC and BOT meetings in New Orleans.</p> <p>Therefore, the SPM has been revised to eliminate all references to the development of RSAWs. The collaboration between the SDT and the NERC Compliance Organization will continue through the development of the Measures and any accompanying Compliance documents.</p> |
| FirstEnergy | Yes | FirstEnergy (FE) supports the new process that has the SDT and NERC Compliance Staff working collaboratively to develop the RSAW at the same time that the Standard is being developed. |
| | | <p>Response: The SCPS thanks all commenters for their input concerning the removal of Measures from the Reliability Standards and the collaborative development of RSAWs between the Standard Drafting Teams and the NERC Compliance Department. Although the majority of the commenters supported the proposed process, the Standard Process Manual has been revised to retain the Measures in the Reliability Standards and eliminate the language describing SDT involvement in the development of the RSAWs. This revision comes at the request of the NERC Compliance Organization to allow sufficient time for the development of the ‘Reliability Assurance Initiative’ which includes a review of the existing RSAW content, development process and use by the industry and ERO Compliance Organizations. This time also allows the more focused review of the Standards Development Process that was recently discussed at the NERC MRC and BOT meetings in New Orleans.</p> <p>Therefore, the SPM has been revised to eliminate all references to the development of RSAWs. The collaboration between the SDT and the NERC Compliance Organization will continue through the development of the Measures and any accompanying Compliance documents.</p> |
| ACES Power Marketing Standards Collaborators | Yes | We support the proposal as long as the RSAWs provide real guidance on how compliance will be measured. If the RSAWs become like the measures and some of the current RSAWs by simply repeating the requirement, we would not support the proposal. Furthermore, we request that a link to the RSAW be included in the |

| Organization | Yes or No | Question 3 Comment |
|---|-----------|---|
| | | standard for ease of reference. |
| <p>Response: The SCPS thanks all commenters for their input concerning the removal of Measures from the Reliability Standards and the collaborative development of RSAWs between the Standard Drafting Teams and the NERC Compliance Department. Although the majority of the commenters supported the proposed process, the Standard Process Manual has been revised to retain the Measures in the Reliability Standards and eliminate the language describing SDT involvement in the development of the RSAWs. This revision comes at the request of the NERC Compliance Organization to allow sufficient time for the development of the ‘Reliability Assurance Initiative’ which includes a review of the existing RSAW content, development process and use by the industry and ERO Compliance Organizations. This time also allows the more focused review of the Standards Development Process that was recently discussed at the NERC MRC and BOT meetings in New Orleans.</p> <p>Therefore, the SPM has been revised to eliminate all references to the development of RSAWs. The collaboration between the SDT and the NERC Compliance Organization will continue through the development of the Measures and any accompanying Compliance documents.</p> | | |
| Bonneville Power Administration | Yes | BPA supports this proposal. BPA emphasizes the need for the SDT to have the authority to develop the standard without interference from the compliance staff. BPA agrees that many benefits can be gained from the compliance staff collaborating with the SDT to create the RSAW. The SDT needs to be the author of the standard and the compliance staff needs to be the author of the RSAW once the standard is developed. |
| <p>Response: The SCPS thanks all commenters for their input concerning the removal of Measures from the Reliability Standards and the collaborative development of RSAWs between the Standard Drafting Teams and the NERC Compliance Department. Although the majority of the commenters supported the proposed process, the Standard Process Manual has been revised to retain the Measures in the Reliability Standards and eliminate the language describing SDT involvement in the development of the RSAWs. This revision comes at the request of the NERC Compliance Organization to allow sufficient time for the development of the ‘Reliability Assurance Initiative’ which includes a review of the existing RSAW content, development process and use by the industry and ERO Compliance Organizations. This time also allows the more focused review of the Standards Development Process that was recently discussed at the NERC MRC and BOT meetings in New Orleans.</p> | | |

| Organization | Yes or No | Question 3 Comment |
|---|-----------|--|
| <p>Therefore, the SPM has been revised to eliminate all references to the development of RSAWs. The collaboration between the SDT and the NERC Compliance Organization will continue through the development of the Measures and any accompanying Compliance documents.</p> | | |
| EPSA | Yes | See comprehensive comments in Question 7. |
| <p>Response: The SCPS thanks all commenters for their input concerning the removal of Measures from the Reliability Standards and the collaborative development of RSAWs between the Standard Drafting Teams and the NERC Compliance Department. Although the majority of the commenters supported the proposed process, the Standard Process Manual has been revised to retain the Measures in the Reliability Standards and eliminate the language describing SDT involvement in the development of the RSAWs. This revision comes at the request of the NERC Compliance Organization to allow sufficient time for the development of the ‘Reliability Assurance Initiative’ which includes a review of the existing RSAW content, development process and use by the industry and ERO Compliance Organizations. This time also allows the more focused review of the Standards Development Process that was recently discussed at the NERC MRC and BOT meetings in New Orleans.</p> <p>Therefore, the SPM has been revised to eliminate all references to the development of RSAWs. The collaboration between the SDT and the NERC Compliance Organization will continue through the development of the Measures and any accompanying Compliance documents.</p> | | |
| Trans Bay Cable LLC | Yes | My team really liked the format of the test RSAW |
| <p>Response: The SCPS thanks all commenters for their input concerning the removal of Measures from the Reliability Standards and the collaborative development of RSAWs between the Standard Drafting Teams and the NERC Compliance Department. Although the majority of the commenters supported the proposed process, the Standard Process Manual has been revised to retain the Measures in the Reliability Standards and eliminate the language describing SDT involvement in the development of the RSAWs. This revision comes at the request of the NERC Compliance Organization to allow sufficient time for the development of the ‘Reliability Assurance Initiative’ which includes a review of the existing RSAW content, development process and use by the industry and ERO Compliance Organizations. This time also allows the more focused review of the Standards Development Process that was recently discussed at the NERC MRC and BOT meetings in New Orleans.</p> | | |

| Organization | Yes or No | Question 3 Comment |
|---|------------|--|
| <p>Therefore, the SPM has been revised to eliminate all references to the development of RSAWs. The collaboration between the SDT and the NERC Compliance Organization will continue through the development of the Measures and any accompanying Compliance documents.</p> | | |
| <p>American Electric Power</p> | <p>Yes</p> | <p>We see the potential benefit of proposing RSAWs during the comment period as it gets the RSAW closer to the original drafting team, however AEP is concerned that industry would now have a very limited say in their content by virtue of the non-binding poll for RSAWs. AEP sees the benefit of having the RSAWs be an attachment of standard itself, thereby serving as a “one stop shop”, and affording industry the opportunity to provide comment and vote on the “attached RSAW”.</p> |
| <p>Response: The SCPS thanks all commenters for their input concerning the removal of Measures from the Reliability Standards and the collaborative development of RSAWs between the Standard Drafting Teams and the NERC Compliance Department. Although the majority of the commenters supported the proposed process, the Standard Process Manual has been revised to retain the Measures in the Reliability Standards and eliminate the language describing SDT involvement in the development of the RSAWs. This revision comes at the request of the NERC Compliance Organization to allow sufficient time for the development of the ‘Reliability Assurance Initiative’ which includes a review of the existing RSAW content, development process and use by the industry and ERO Compliance Organizations. This time also allows the more focused review of the Standards Development Process that was recently discussed at the NERC MRC and BOT meetings in New Orleans.</p> <p>Therefore, the SPM has been revised to eliminate all references to the development of RSAWs. The collaboration between the SDT and the NERC Compliance Organization will continue through the development of the Measures and any accompanying Compliance documents.</p> | | |
| <p>Occidental Energy Ventures Corp</p> | <p>Yes</p> | <p>OEVC believes that the project team has addressed many of our concerns that we submitted to the original draft of the Standards Development Process Manual. Although we would still like to see a binding vote on the RSAW, it is essential that its coordinated development with the Reliability Standard is essential to consistency in the findings of violations - a high priority outcome from our perspective.</p> |

| Organization | Yes or No | Question 3 Comment |
|---|------------|---|
| <p>Response: The SCPS thanks all commenters for their input concerning the removal of Measures from the Reliability Standards and the collaborative development of RSAWs between the Standard Drafting Teams and the NERC Compliance Department. Although the majority of the commenters supported the proposed process, the Standard Process Manual has been revised to retain the Measures in the Reliability Standards and eliminate the language describing SDT involvement in the development of the RSAWs. This revision comes at the request of the NERC Compliance Organization to allow sufficient time for the development of the ‘Reliability Assurance Initiative’ which includes a review of the existing RSAW content, development process and use by the industry and ERO Compliance Organizations. This time also allows the more focused review of the Standards Development Process that was recently discussed at the NERC MRC and BOT meetings in New Orleans.</p> <p>Therefore, the SPM has been revised to eliminate all references to the development of RSAWs. The collaboration between the SDT and the NERC Compliance Organization will continue through the development of the Measures and any accompanying Compliance documents.</p> | | |
| <p>City of Jacksonville Beach, FL dba/Beaches Energy Services</p> | <p>Yes</p> | <p>We support the concept; however, what almost causes us to cast a "negative" vote is footnote 7. Currently, the industry has control of the Measures as they are part of the balloted standard, albeit, the industry sometimes does not do a good job developing them. With footnote 7, ERO Staff will have unilateral right to change the Measures (and other Compliance Elements) that the industry as a whole currently controls. We believe this is inappropriate. So, while we agree with the concept, we disagree with the proposed governance of measures and retention at minimum which we believe should not be under the unilateral control of ERO Staff.</p> |
| <p>Response: The SCPS thanks all commenters for their input concerning the removal of Measures from the Reliability Standards and the collaborative development of RSAWs between the Standard Drafting Teams and the NERC Compliance Department. Although the majority of the commenters supported the proposed process, the Standard Process Manual has been revised to retain the Measures in the Reliability Standards and eliminate the language describing SDT involvement in the development of the RSAWs. This revision comes at the request of the NERC Compliance Organization to allow sufficient time for the development of the ‘Reliability Assurance Initiative’ which includes a review of the existing RSAW content, development process and use by the industry and ERO Compliance Organizations. This time also allows the more focused review of the Standards Development Process that was recently discussed at the NERC MRC and BOT meetings in New Orleans.</p> | | |

| Organization | Yes or No | Question 3 Comment |
|---|-----------|--|
| <p>Therefore, the SPM has been revised to eliminate all references to the development of RSAWs. The collaboration between the SDT and the NERC Compliance Organization will continue through the development of the Measures and any accompanying Compliance documents.</p> | | |
| Liberty Electric Power LLC | Yes | While supportive of this provision, I do note moving the measures from a binding vote to a non-binding poll could cause problems in the future. |
| <p>Response: Thank you for your comment and support.</p> | | |
| Tacoma Power | Yes | Tacoma Power supports moving the measures to the RSAWs. We believe the measures and the RSAWs should be tools for the industry to understand how the auditors will perform the compliance with the standards. By moving the measures to the RSAWs, we expect to see fewer conflicts between the documents and the quality and clarity of the RSAW can be improved. |
| <p>Response: Thank you for your comment and support.</p> | | |
| MRO NSRF | Yes | |
| Detroit Edison | Yes | |
| JEA | Yes | |
| Western Small Entity Comment Group | Yes | |
| Idaho Power Co. | Yes | |
| Dominion | Yes | |

| Organization | Yes or No | Question 3 Comment |
|---|-----------|--------------------|
| Public Service Enterprise Group | Yes | |
| Owensboro Municipal Utilities | Yes | |
| WECC | Yes | |
| NIPSCO | Yes | |
| Essential Power, LLC | Yes | |
| American Transmission Company | Yes | |
| NextEra Energy | Yes | |
| Pepco Holdings Inc | Yes | |
| Independent Electricity System Operator | Yes | |
| South Carolina Electric and Gas | Yes | |
| Trans Bay Cable LLC | Yes | |
| HHWP | Yes | |
| Kansas City Power & Light | Yes | |
| American Public Power | Yes | |

| Organization | Yes or No | Question 3 Comment |
|---|-----------|---|
| Association | | |
| CPS Energy | Yes | |
| The United Illuminating Company | Yes | |
| Exelon Corporation and its affiliates | | <p>Exelon appreciates the move to develop compliance tools/RSAWs for comment along-side the proposed standard language. It is valuable to develop compliance tools such as the RSAW concurrently with the standard development. This improves the likelihood that the intent of the standard language will be reflected in the compliance tool. In addition, it is useful for applicable entities to understand the compliance implications and obligation of the standard prior to building a compliance program. However, a concern remains that replacing Measures (currently part of the approved standard) with the RSAW (not part of the standard and subject to future revision) removes the stability of the compliance instruction. While it may be preferable to remove the Measures from the standard to enable revisions to the measures/RSAWs without embarking on a standard revision project, greater discussion of and commitment to the value of stable, durable RSAWs would be helpful. Whatever the compliance tool utilized with the standard, it should request reasonable information, in a clear and concise manner, to assist in audit-prep for both entities and auditors, it should strictly and accurately reflect the standard language and intent, and it should be stable over time so that entities can incorporate RSAW completion into their compliance programs without multiple iterations of RSAWs.</p> |
| <p>Response: The SCPS thanks all commenters for their input concerning the removal of Measures from the Reliability Standards and the collaborative development of RSAWs between the Standard Drafting Teams and the NERC Compliance Department. Although the majority of the commenters supported the proposed process, the Standard Process Manual has been revised to retain the Measures in the Reliability Standards and eliminate the language describing SDT involvement in the development of the RSAWs. This revision comes at the request of the NERC Compliance Organization to allow sufficient time for the development of the ‘Reliability Assurance</p> | | |

| Organization | Yes or No | Question 3 Comment |
|--------------|-----------|--|
| | | <p>Initiative' which includes a review of the existing RSAW content, development process and use by the industry and ERO Compliance Organizations. This time also allows the more focused review of the Standards Development Process that was recently discussed at the NERC MRC and BOT meetings in New Orleans.</p> <p>Therefore, the SPM has been revised to eliminate all references to the development of RSAWs. The collaboration between the SDT and the NERC Compliance Organization will continue through the development of the Measures and any accompanying Compliance documents.</p> |

- 4. In the first posted revisions to the SPM, the SCPS proposed eliminating Violation Risk Factors (VRFs) and the Violation Severity Levels (VSLs) to address several issues identified in the SPIG recommendations. Based on the majority of the comments received, the SCPS has re-examined the proposed revisions and concluded that certain aspects of the proposal require additional clarification.**

Therefore, the proposed revisions to eliminate the VRFs and VSLs will be removed from the next draft of the SPM. The VRFs and VSLs will continue to be drafted by the SDT and a non-binding poll will continue to be conducted per the SPM.

The SCPS will continue to develop concepts in response to the SPIG recommendations to ease the burden on the drafting teams and shorten development time frames associated with standard development projects – including strategies for eliminating VRFs and VSLs while maintaining the ERO’s focus on the potential risk to the reliability of the BES.

Do you support the continued use of VRFs and VSLs as the SCPS works towards a more effective solution for eliminating them from the standards process?

Summary Consideration:

The majority of the commenters recognize the burden that the development of VRFs and VSLs has on the SDTs and supports the development of potential alternatives to the existing Enforcement processes (i.e., revisions to the Penalty Matrix that utilizes the VRFs and VSLs exclusively for determining the starting point for enforcement actions). Commenters expressed concerns with the ‘Sanctions Table’ concepts and the SCPS has re-examined the concepts and has concluded that certain aspects of the proposal require additional clarification. Therefore the SCPS is continuing to work toward the elimination of the VRFs and the VSLs through the development of potential alternatives to the existing Enforcement processes and is actively working with NERC and Regional Enforcement staff to establish a consensus on the concepts. While these concepts are fully vetted, the VRFs and VSLs will continue to be drafted by the SDT and a non-binding poll will continue to be conducted per the SPM.

The SPCS recognizes that the development of VRFs and VSLs takes a significant amount of time and potentially extends the duration of standard development projects. The SCPS is actively developing concepts in response to the SPIG recommendations to ease the burden on the SDTs and to provide an opportunity to shorten the development timeframes associated with standard development projects. In support of these efforts the SCPS is further developing guidance for the SDTs to assist them with the development of the VRFs and VSLs which incorporates the concepts developed by the Pro Forma VSL team and the VRF Definition team.

| Organization | Yes or No | Question 4 Comment |
|---|-----------|--|
| NPCC | No | <p>Comments: The development of the VRFs and VSLs takes a significant amount of time and effort in the Standards development process. Since the resulting “benefit” does not outweigh the cost of this effort, we suggest these be eliminated.</p> |
| <p>Response: Thank you for your comment. The NERC SPCS agrees with the commenter in that the development of VRFs and VSLs takes a significant amount of time and potentially extends the life of standard development projects. The SCPS is actively developing concepts in response to the SPIG recommendations to ease the burden on the SDTs and to provide an opportunity to shorten the development timeframes associated with standard development projects. In support of these efforts the SCPS is further developing guidance for the SDTs to assist them with the development of the VRFs and VSLs which incorporates the concepts developed by the Pro Forma VSL team and the VRF Definition team.</p> <p>The elimination of the VFRs and VSLs requires the development of an alternative to the existing enforcement process. In support of these efforts, the SCPS is further developing alternatives, including, but not limited to, the ‘Sanctions Table’ concepts originally proposed during the initial formal comment period, and is actively working with NERC and Regional Enforcement staff to establish a consensus on the concepts.</p> | | |
| ISO/RTO Council's Standards Review Committee | No | <p>It has been our experience that the development of the VRFs and VSLs takes a significant amount of time and effort in the Standards development process. Since the resulting “benefit” does not outweigh the cost of this effort, we suggest these be eliminated.</p> |
| <p>Response: Thank you for your comment. The NERC SPCS agrees with the commenter in that the development of VRFs and VSLs takes a significant amount of time and potentially extends the life of standard development projects. The SCPS is actively developing concepts in response to the SPIG recommendations to ease the burden on the SDTs and to provide an opportunity to shorten the development timeframes associated with standard development projects. In support of these efforts the SCPS is further developing guidance for the SDTs to assist them with the development of the VRFs and VSLs which incorporates the concepts developed by the Pro Forma VSL team and the VRF Definition team. The elimination of the VFRs and VSLs requires the development of an alternative to the existing enforcement process. In support of these efforts, the SCPS is further developing alternatives, including, but not limited to, the ‘Sanctions Table’ concepts originally proposed during the initial formal comment period, and is actively working with NERC</p> | | |

| Organization | Yes or No | Question 4 Comment |
|--|-----------|--|
| and Regional Enforcement staff to establish a consensus on the concepts. | | |
| ACES Power Marketing Standards Collaborators | No | <p>We can find little correlation between actual penalties and VRFs and VSLs. As a result, we cannot support their continued use in the current form. There have been many proposals to modify the process by which VSLs and VRFs are developed. These proposals have ranged from complete elimination to developing pro forma VSLs that would be used for every requirement to developing a spreadsheet tool that outputs VRFs based on a series of questions. We do not understand why one of these proposals cannot be piloted. Industry and drafting teams simply spend an inordinate amount of time developing and commenting on VSLs. The amount time spent is simply not commensurate with the impact on reliability.</p> |
| <p>Response: Thank you for your comment. The NERC SPCS agrees with the commenter in that the development of VRFs and VSLs takes a significant amount of time and potentially extends the life of standard development projects. The SCPS is actively developing concepts in response to the SPIG recommendations to ease the burden on the SDTs and to provide an opportunity to shorten the development timeframes associated with standard development projects. In support of these efforts the SCPS has further developed guidance for the SDTs to assist with the development of the VRFs and VSLs which incorporates the concepts developed by the Pro Forma VSL team and the VRF Definition team.</p> <p>The elimination of the VRFs and VSLs requires the development of an alternative to the existing enforcement process. In support of these efforts, the SCPS is further developing alternatives, including, but not limited to, the ‘Sanctions Table’ concepts originally proposed during the initial formal comment period, and is actively working with NERC and Regional Enforcement staff to establish a consensus on the concepts.</p> | | |
| Southern Company | No | <p>Southern Company raises the following concerns with Violation Risk Factors (VRFs) and Violation Severity Levels (VSLs): We acknowledge the Standard Committee’s challenge to address standards development process efficiencies while incorporating various recommendations from the SCPS and the SPIG. We also note that in drafting SPM revisions, the SCPS suspended an approach to eliminate VRFs and VSLs while incorporating a Sanctions Table. We concur with this approach as it may create opportunities for further review and discussion of specific and comprehensive</p> |

| Organization | Yes or No | Question 4 Comment |
|--|-----------|--|
| | | <p>solutions. Certain portions of the SPM create conflicting messages concerning the manner in which compliance elements such as VRFs/VSLs will be developed and approved. Footnote 4 suggests that NERC staff and the BOT will have an opportunity to revise the stakeholder-approved compliance elements if directed by FERC. Sections 4.4.4, 4.9 and 4.16 provide ample description of how drafting teams and NERC staff will work together to develop, ballot and obtain approval of VRFs and VSLs. The Standards Committee should clarify that a stakeholder’s participation in the development process will not be minimized as a result of provisions which allow NERC and the BOT to modify stakeholder-approved compliance elements. We recommend elimination of footnote 4 as a way to mitigate potential conflicts.</p> |
| <p>Response: Thank you for your comments. The NERC SPCS agrees with the commenter in that the development of VRFs and VSLs takes a significant amount of time and potentially extends the life of standard development projects. The SCPS is actively developing concepts in response to the SPIG recommendations to ease the burden on the SDTs and to provide an opportunity to shorten the development timeframes associated with standard development projects. In support of these efforts the SCPS is further developing guidance for the SDTs to assist them with the development of the VRFs and VSLs which incorporates the concepts developed by the Pro Forma VSL team and the VRF Definition. The elimination of the VFRs and VSLs requires the development of an alternative to the existing enforcement process. In support of these efforts, the SCPS is further developing alternatives, including, but not limited to, the ‘Sanctions Table’ concepts originally proposed during the initial formal comment period, and is actively working with NERC and Regional Enforcement staff to establish a consensus on the concepts.</p> <p>Footnote 5 has been revised to address the commenters concern as follows:</p> <p>⁵It is the responsibility of the ERO staff to develop compliance elements for each standard; however while these elements are not technically part of the standard, they are included in the standard and referenced in this manual because the preferred approach to developing these elements is to use a transparent process that leverages the technical and practical expertise of the drafting team and ballot pool. If directed by FERC, NERC may file revisions to compliance elements following approval of the NERC Board of Trustees.</p> <p>The SPM has undergone minor revisions in regards to the VRFs and VSLs, to improve the clarity of the process without altering the concepts which dictate the development of, the associated non-binding polls, and the ERO responsibilities to ensure that the VFRs and VSLs meet the criteria established by the ERO and the applicable government agencies.</p> | | |

| Organization | Yes or No | Question 4 Comment |
|--|-----------|--|
| PacifiCorp | No | PacifiCorp does not support the continued use of VRFs and VSLs as the SCPS works towards a more effective solution for eliminating them from the standards process. VRFs and VSLs are a faulty process to determine the level of severity for a potential violation. The increase in severity levels and risk factors during updates of existing standards provides little constructive information. The inclusion of the VRFs and VSLs in the balloting process (without binding balloting by the industry) is a drain on industry resources and the balloting process and serves no helpful purpose. |
| <p>Response: Thank you for your comments. The NERC SPCS agrees with the commenter in that the ultimate goal is to eliminate the VRFs and VSLs from the Reliability Standards. The elimination of the VFRs and VSLs requires the development of an alternative to the existing enforcement process. In support of these efforts, the SCPS is further developing alternatives, including, but not limited to, the ‘Sanctions Table’ concepts originally proposed during the initial formal comment period, and is actively working with NERC and Regional Enforcement staff to establish a consensus on the concepts. While the alternatives that support the elimination of the VRFs and VSLs are vetted, the SCPS is actively developing concepts in response to the SPIG recommendations to ease the burden on the SDTs and to provide an opportunity to shorten the development timeframes associated with standard development projects. In support of these efforts the SCPS is further developing guidance for the SDTs to assist them with the development of the VRFs and VSLs which incorporates the concepts developed by the Pro Forma VSL team and the VRF Definition.</p> | | |
| Arizona Public Service Company | No | Until the SCPS has developed a more effective solution, VRF and VSL should be eliminated. It may take a long time before the process is developed and continuing in the meantime is not advised, because the VRFs and VSLs are not being applied consistently and there is no transparency regarding the fines that are issued. |
| <p>Response: Thank you for your comments. The NERC SPCS agrees with the commenter in that the ultimate goal is to eliminate the VRFs and VSLs from the Reliability Standards. The elimination of the VFRs and VSLs requires the development of an alternative to the existing enforcement process. In support of these efforts, the SCPS is further developing alternatives, including, but not limited to, the ‘Sanctions Table’ concepts originally proposed during the initial formal comment period, and is actively working with NERC and Regional Enforcement staff to establish a consensus on the concepts. While the concepts that support the elimination of the VRFs and VSLs are vetted, the SCPS is actively developing concepts in response to the SPIG recommendations to ease the burden on the SDTs and to provide an opportunity to shorten the development timeframes associated with standard development projects. In</p> | | |

| Organization | Yes or No | Question 4 Comment |
|--|-----------|---|
| | | <p>support of these efforts the SCPS is further developing guidance for the SDTs to assist them with the development of the VRFs and VSLs which incorporates the concepts developed by the Pro Forma VSL team and the VRF Definition.</p> |
| <p>Duke Energy</p> | <p>No</p> | <p>It would be preferable to eliminate the VRFs and VSLs as part of a comprehensive overhaul of the Compliance Monitoring and Enforcement Program in order to alleviate the burden on the Standard Drafting Team.</p> |
| <p>Response: Thank you for your comments. The NERC SPCS agrees with the commenter in that the ultimate goal is to eliminate the VRFs and VSLs from the Reliability Standards. The elimination of the VFRs and VSLs requires the development of an alternative to the existing enforcement process. In support of these efforts, the SCPS is further developing alternatives, including, but not limited to, the ‘Sanctions Table’ concepts originally proposed during the initial formal comment period, and is actively working with NERC and Regional Enforcement staff to establish a consensus on the concepts. While the concepts that support the elimination of the VRFs and VSLs are vetted, the SCPS is actively developing concepts in response to the SPIG recommendations to ease the burden on the SDTs and to provide an opportunity to shorten the development timeframes associated with standard development projects. In support of these efforts the SCPS is further developing guidance for the SDTs to assist them with the development of the VRFs and VSLs which incorporates the concepts developed by the Pro Forma VSL team and the VRF Definition.</p> | | |
| <p>WECC</p> | <p>No</p> | <p>I bleive that the intention behind removing the VRFs and VSLs was sound. I also understand the opposition voiced by the Compliance represenatives from the different regions. I urge the SC and the SCPS to continue pursuing this effort.</p> |
| <p>Response: Thank you for your comments. The NERC SPCS agrees with the commenter in that the ultimate goal is to eliminate the VRFs and VSLs from the Reliability Standards. . The elimination of the VFRs and VSLs requires the development of an alternative to the existing enforcement process. In support of these efforts, the SCPS is further developing alternatives, including, but not limited to, the ‘Sanctions Table’ concepts originally proposed during the initial formal comment period, and is actively working with NERC and Regional Enforcement staff to establish a consensus on the concepts. While the concepts that support the elimination of the VRFs and VSLs are vetted, the SCPS is actively developing concepts in response to the SPIG recommendations to ease the burden on the SDTs and to provide an opportunity to shorten the development timeframes associated with standard development projects. In support of these efforts the SCPS is further developing guidance for the SDTs to assist them with the development of the VRFs and VSLs which incorporates the concepts developed by the Pro Forma VSL team and the VRF Definition.</p> | | |

| Organization | Yes or No | Question 4 Comment |
|--|-----------|---|
| American Electric Power | No | <p>AEP is disappointed that the SPCS has seemingly abandoned the concept of pursuing the elimination of VRFs and VSLs from the standard template in favor of a Sanction Table Reference. We believe it was an opportunity to encourage SPIG to evaluate the current compliance practice that requires 100% compliance at all times, specifically in regards to requirements that have a very large scope and application. For example, these standards have driven entities to track many thousands of individual due dates which must all be met in order to be fully compliant. To track and meet this volume of distinct parameters is not only extremely challenging, but creates a statistical certitude that violations will occur. We suggest that future standards be developed in such a way that promotes the reliability of the BES in a manner which yields a more reasonable volume of milestones and deliverables to track and meet. AEP liked where the SPCS was going in regards to the Sanction Table Reference, and cannot comment on continuing the use of VRFs and VSLs until a newer methodology is proposed. In the meanwhile, AEP encourages the team to continue working towards an effective solution for eliminating VRFs and VSLs from the standards process. It is our hope that this could be accomplished in the near term, rather than years from now.</p> |
| <p>Response: Thank you for your comments. The NERC SPCS agrees with the commenter in that the ultimate goal is to eliminate the VRFs and VSLs from the Reliability Standards. The elimination of the VRFs and VSLs requires the development of an alternative to the existing enforcement process. In support of these efforts, the SCPS is further developing alternatives, including, but not limited to, the ‘Sanctions Table’ concepts originally proposed during the initial formal comment period, and is actively working with NERC and Regional Enforcement staff to establish a consensus on the concepts. While the concepts that support the elimination of the VRFs and VSLs are vetted, the SCPS is actively developing concepts in response to the SPIG recommendations to ease the burden on the SDTs and to provide an opportunity to shorten the development timeframes associated with standard development projects. In support of these efforts the SCPS is further developing guidance for the SDTs to assist them with the development of the VRFs and VSLs which incorporates the concepts developed by the Pro Forma VSL team and the VRF Definition.</p> | | |
| Georgia System Operations Corporation | No | <p>If the VRFs and VSLs are continued to be used in enforcement they should be part of the standard development process.</p> |

| Organization | Yes or No | Question 4 Comment |
|--|-----------|---|
| <p>Response: Thank you for your comments. The NERC SPCS believes that the best option is to eliminate the VRFs and VSLs from the Reliability Standards. However, the elimination of the VRFs and VSLs requires the development of an alternative to the existing enforcement process. In support of these efforts, the SCPS is further developing alternatives, including, but not limited to, the ‘Sanctions Table’ concepts originally proposed during the initial formal comment period, and is actively working with NERC and Regional Enforcement staff to establish a consensus on the concepts. The NERC SPCS agrees with the commenter in that the development of the VRFs and VSLs should remain in the Standard Development Process. While the concepts that support the elimination of the VRFs and VSLs are vetted, the SCPS is actively developing concepts in response to the SPIG recommendations to ease the burden on the SDTs and to provide an opportunity to shorten the development timeframes associated with standard development projects In support of these efforts the SCPS is further developing guidance for the SDTs to assist them with the development of the VRFs and VSLs which incorporates the concepts developed by the Pro Forma VSL team and the VRF Definition.</p> | | |
| NextEra Energy | No | As stated in its original comments NextEra Energy, Inc. (NextEra) does not see the value in the VSLs. NextEra generally favors the approach of eliminating VRFs and VSLs as presented in the original SPIG changes, subject to NextEra’s specific comments on the replacement tables. |
| <p>Response: Thank you for your comments. The NERC SPCS agrees with the commenter in that the ultimate goal is to eliminate the VRFs and VSLs from the Reliability Standards The elimination of the VRFs and VSLs requires the development of an alternative to the existing enforcement process. In support of these efforts, the SCPS is further developing alternatives, including, but not limited to, the ‘Sanctions Table’ concepts originally proposed during the initial formal comment period, and is actively working with NERC and Regional Enforcement staff to establish a consensus on the concepts. While the concepts that support the elimination of the VRFs and VSLs are vetted, the SCPS is actively developing concepts in response to the SPIG recommendations to ease the burden on the SDTs and to provide an opportunity to shorten the development timeframes associated with standard development projects. In support of these efforts the SCPS is further developing guidance for the SDTs to assist them with the development of the VRFs and VSLs which incorporates the concepts developed by the Pro Forma VSL team and the VRF Definition.</p> | | |
| Oncor Electric Delivery | No | In the absence of an alternative path, continuing to utilize VRF’s and VSL’s is the only option. The industry is nearing the 6th year since the implementation of compliance and enforcement, and it seems the appropriate time to revisit the strategic and programmatic framework of compliance and enforcement policies and practices. |

| Organization | Yes or No | Question 4 Comment |
|---|-----------|---|
| | | <p>With a potential shift in the enforcement practices beginning with Find, Fix and Track (FFT) and the internal controls concept (often referred to as “zero defect language”) being introduced into standards/RSAs during the development process, Oncor recommends that SCPS partner with RISC to identify the appropriate framework including participation for this critical initiative.</p> |
| <p>Response: Thank you for your comments. The NERC SPCS agrees with the commenter in that the ultimate goal is to eliminate the VRFs and VSLs from the Reliability Standards. The elimination of the VRFs and VSLs requires the development of an alternative to the existing enforcement process. In support of these efforts, the SCPS is further developing alternatives, including, but not limited to, the ‘Sanctions Table’ concepts originally proposed during the initial formal comment period, and is actively working with NERC and Regional Enforcement staff to establish a consensus on the concepts. While the concepts that support the elimination of the VRFs and VSLs are vetted, the SCPS is actively developing concepts in response to the SPIG recommendations to ease the burden on the SDTs and to provide an opportunity to shorten the development timeframes associated with standard development projects. In support of these efforts the SCPS is further developing guidance for the SDTs to assist them with the development of the VRFs and VSLs which incorporates the concepts developed by the Pro Forma VSL team and the VRF Definition.</p> | | |
| Kansas City Power & Light | No | |
| MRO NSRF | Yes | <p>We support the SCPS’ efforts to create a more effective solution for eliminating VRFs and VSLs from the standards process.</p> |
| <p>Response: Thank you for the Comments and support of the concepts presented. The NERC SPCS agrees with the commenter in that the ultimate goal is to eliminate the VRFs and VSLs from the Reliability Standards. The elimination of the VRFs and VSLs requires the development of an alternative to the existing enforcement process. In support of these efforts, the SCPS is further developing alternatives, including, but not limited to, the ‘Sanctions Table’ concepts originally proposed during the initial formal comment period, and is actively working with NERC and Regional Enforcement staff to establish a consensus on the concepts.</p> <p>While the concepts that support the elimination of the VRFs and VSLs are vetted, the SCPS is actively developing concepts in response to the SPIG recommendations to ease the burden on the SDTs and to provide an opportunity to shorten the development timeframes associated with standard development projects. In support of these efforts the SCPS is further developing guidance for the SDTs to assist them with the development of the VRFs and VSLs which incorporates the concepts developed by the Pro Forma</p> | | |

| Organization | Yes or No | Question 4 Comment |
|---|-----------|--|
| VSL team and the VRF Definition. | | |
| Bonneville Power Administration | Yes | BPA was in the support of the removal during the first phase and understands the industry’s concerns regarding developing strategies for eliminating VRFs and VSLs while continuing to focus on the potential risks of the reliability of the BES. |
| <p>Response: Thank you for the Comments and support of the concepts presented. The NERC SPCS agrees with the commenter in that the ultimate goal is to eliminate the VRFs and VSLs from the Reliability Standards. The elimination of the VFRs and VSLs requires the development of an alternative to the existing enforcement process. In support of these efforts, the SCPS is further developing alternatives, including, but not limited to, the ‘Sanctions Table’ concepts originally proposed during the initial formal comment period, and is actively working with NERC and Regional Enforcement staff to establish a consensus on the concepts. While the concepts that support the elimination of the VRFs and VSLs are vetted, the SCPS is actively developing concepts in response to the SPIG recommendations to ease the burden on the SDTs and to provide an opportunity to shorten the development timeframes associated with standard development projects. In support of these efforts the SCPS is further developing guidance for the SDTs to assist them with the development of the VRFs and VSLs which incorporates the concepts developed by the Pro Forma VSL team and the VRF Definition.</p> | | |
| EPSA | Yes | See comprehensive comments in Question 7. |
| Occidental Energy Ventures Corp | Yes | Although OEVC understands that a significant savings in time could result from the elimination of VRFs and VSLs, we agree that it is premature to proceed down this path. The existing strategy to determine the risk of a violation to the BES has resulted in a level of consistency that is understood by all involved. |
| <p>Response: Thank you for the Comments and support of the concepts presented. The NERC SPCS agrees with the commenter in that the ultimate goal is to eliminate the VRFs and VSLs from the Reliability Standards. The elimination of the VFRs and VSLs requires the development of an alternative to the existing enforcement process. In support of these efforts, the SCPS is further developing alternatives, including, but not limited to, the ‘Sanctions Table’ concepts originally proposed during the initial formal comment period, and is actively working with NERC and Regional Enforcement staff to establish a consensus on the concepts. While the concepts that support the elimination of the VRFs and VSLs are vetted, the SCPS is actively developing concepts in response to the SPIG recommendations to ease the burden on the SDTs and to provide an opportunity to shorten the development timeframes</p> | | |

| Organization | Yes or No | Question 4 Comment |
|---|------------|---|
| | | <p>associated with standard development projects In support of these efforts the SCPS is further developing guidance for the SDTs to assist them with the development of the VRFs and VSLs which incorporates the concepts developed by the Pro Forma VSL team and the VRF Definition.</p> |
| <p>City of Jacksonville Beach, FL dba/Beaches Energy Services</p> | <p>Yes</p> | <p>However, we encourage expedited action to develop alternatives to VSLs and VRFs.</p> |
| | | <p>Response: Thank you for the Comments and support of the concepts presented. The NERC SPCS agrees with the commenter in that the ultimate goal is to eliminate the VRFs and VSLs from the Reliability Standards. The elimination of the VFRs and VSLs requires the development of an alternative to the existing enforcement process. In support of these efforts, the SCPS is further developing alternatives, including, but not limited to, the ‘Sanctions Table’ concepts originally proposed during the initial formal comment period, and is actively working with NERC and Regional Enforcement staff to establish a consensus on the concepts. While the concepts that support the elimination of the VRFs and VSLs are vetted, the SCPS is actively developing concepts in response to the SPIG recommendations to ease the burden on the SDTs and to provide an opportunity to shorten the development timeframes associated with standard development projects. In support of these efforts the SCPS is further developing guidance for the SDTs to assist them with the development of the VRFs and VSLs which incorporates the concepts developed by the Pro Forma VSL team and the VRF Definition.</p> |
| <p>Ameren</p> | <p>Yes</p> | <p>We believe this is a step in the right direction at this time, and we also encourage efforts by the SDT to move towards a more effective solution for eliminating them from the standards process.</p> |
| | | <p>Response: Thank you for the Comments and support of the concepts presented. The NERC SPCS agrees with the commenter in that the ultimate goal is to eliminate the VRFs and VSLs from the Reliability Standards. The elimination of the VFRs and VSLs requires the development of an alternative to the existing enforcement process. In support of these efforts, the SCPS is further developing alternatives, including, but not limited to, the ‘Sanctions Table’ concepts originally proposed during the initial formal comment period, and is actively working with NERC and Regional Enforcement staff to establish a consensus on the concepts. While the concepts that support the elimination of the VRFs and VSLs are vetted, the SCPS is actively developing concepts in response to the SPIG recommendations to ease the burden on the SDTs and to provide an opportunity to shorten the development timeframes associated with standard development projects. In support of these efforts the SCPS is further developing guidance for the SDTs to assist them with the development of the VRFs and VSLs which incorporates the concepts developed by the Pro Forma VSL team and</p> |

| Organization | Yes or No | Question 4 Comment |
|--|-----------|--|
| the VRF Definition. | | |
| Tri-State G & T | Yes | An explanation box for Section 3 (p 12) indicates that the VRFs and VSLs are being removed from the standards in this draft. Section 4.4.4 also indicates that the VRFs and VSLs will be developed by the drafting team. Why are VRFs and VSLs removed from the third line of Section 4.8? |
| <p>Response: Thank you for your comments. The text box (explanation box) on page 10 of the draft SPM will be revised to remove the reference to the elimination of the VRFs and VSLs. Section 4.8 has been revised to include the language specific to VRFs and VSLs. This language was not replaced when the reference to the ‘Sanctions Tables’ was removed.</p> | | |
| Tacoma Power | Yes | Tacoma Power supports the continued use of the VRFs and VSLs while the SCPS works toward an effective solution for eliminating them. |
| <p>Response: Thank you for the Comments and support of the concepts presented. The NERC SPCS agrees with the commenter in that the ultimate goal is to eliminate the VRFs and VSLs from the Reliability Standards. The elimination of the VRFs and VSLs requires the development of an alternative to the existing enforcement process. In support of these efforts, the SCPS is further developing alternatives, including, but not limited to, the ‘Sanctions Table’ concepts originally proposed during the initial formal comment period, and is actively working with NERC and Regional Enforcement staff to establish a consensus on the concepts.</p> <p>While the concepts that support the elimination of the VRFs and VSLs are vetted, the SCPS is actively developing concepts in response to the SPIG recommendations to ease the burden on the SDTs and to provide an opportunity to shorten the development timeframes associated with standard development projects. In support of these efforts the SCPS is further developing guidance for the SDTs to assist them with the development of the VRFs and VSLs which incorporates the concepts developed by the Pro Forma VSL team and the VRF Definition.</p> | | |
| American Public Power Association | Yes | APPA supports continued use of VRFs and VSLs as inputs to the Sanctions Table but only until such time as consensus can be reached among stakeholders and the regions on the Risk-Based Matrix approach that was proposed by the SCPS. It is essential that NERC identify efficiencies in the standards development process to free up industry, SDT and NERC staff resources to focus on higher value initiatives such as joint development of RSAWS, CEAP and implementation guides and to speed |

| Organization | Yes or No | Question 4 Comment |
|---|-----------|------------------------------------|
| | | standard development and approval. |
| <p>Response: Thank you for the Comments and support of the concepts presented. The NERC SPCS agrees with the commenter in that the ultimate goal is to eliminate the VRFs and VSLs from the Reliability Standards. The elimination of the VRFs and VSLs requires the development of an alternative to the existing enforcement process. In support of these efforts, the SCPS is further developing alternatives, including, but not limited to, the ‘Sanctions Table’ concepts originally proposed during the initial formal comment period, and is actively working with NERC and Regional Enforcement staff to establish a consensus on the concepts. While the concepts that support the elimination of the VRFs and VSLs are vetted, the SCPS is actively developing concepts in response to the SPIG recommendations to ease the burden on the SDTs and to provide an opportunity to shorten the development timeframes associated with standard development projects. In support of these efforts the SCPS is further developing guidance for the SDTs to assist them with the development of the VRFs and VSLs which incorporates the concepts developed by the Pro Forma VSL team and the VRF Definition.</p> | | |
| Detroit Edison | Yes | |
| Dominion | Yes | |
| Western Small Entity Comment Group | Yes | |
| SPP Standards Review Group | Yes | |
| PPL Corporation NERC Registered Affiliates | Yes | |
| FirstEnergy | Yes | |
| JEA | Yes | |
| SERC Planning Standards Subcommittee | Yes | |

| Organization | Yes or No | Question 4 Comment |
|--|-----------|--------------------|
| Trans Bay Cable LLC | Yes | |
| Idaho Power Co. | Yes | |
| Public Service Enterprise Group | Yes | |
| Owensboro Municipal Utilities | Yes | |
| The United Illuminating Company | Yes | |
| NIPSCO | Yes | |
| Essential Power, LLC | Yes | |
| Manitoba Hydro | Yes | |
| CenterPoint Energy Houston Electric L.L.C. | Yes | |
| American Transmission Company | Yes | |
| Pepco Holdings Inc | Yes | |
| Oklahoma Gas & Electric | Yes | |
| Liberty Electric Power LLC | Yes | |
| Independent Electricity | Yes | |

| Organization | Yes or No | Question 4 Comment |
|---------------------------------------|-----------|--------------------|
| System Operator | | |
| South Carolina Electric and Gas | Yes | |
| Consumers Energy | Yes | |
| Trans Bay Cable LLC | Yes | |
| HHWP | Yes | |
| Exelon Corporation and its affiliates | Yes | |
| CPS Energy | Yes | |

- 5. Section 7.0 of the SPM, which concerns interpretations, was revised to ensure that stakeholders have a common understanding of what aspects of a standard may be addressed by an interpretation. Only requirements require technical expertise to interpret, and those kinds of interpretations thus require the traditional utilization of a drafting team. Other less technical questions, like a concern about an effective date, do not require the formation of a drafting team and ballot pool and all the associated processing.

The SCPS does want to provide stakeholders the ability to maintain control over how interpretations are developed, but the interpretation process in its entirety can lead to large volumes of work and the delay of processing high-priority standards projects. With the revisions proposed in the posted SPM, the SC aims to increase transparency about the handling of interpretations, with the goal of reducing the number of rejected interpretations and ultimately decreasing the interpretation-related burden on drafting teams and stakeholders.

Do you agree that this clarification on the use of interpretations will be useful?

Summary Consideration:

The governing principle of Section 7.0 is laid out in its first paragraph. “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.*” See Proposed SPM Section 7.0 Revisions at P 1, emphasis added. An Interpretation request is not the appropriate vehicle to identify a gap or perceived weakness in an approved Reliability Standard. Rather, the primary function of an Interpretation request is to provide clarity regarding Requirements. The proper vehicle for the identification of a gap or weakness in a Reliability Standard is a SAR.

Interpretations are balloted in the same manner as Reliability Standards, and through this mechanism, registered entities are very much a part of the interpretation process and are involved in the approval of the interpretation.

| Organization | Yes or No | Question 5 Comment |
|--------------|-----------|---|
| NPCC | No | Comments: While we agree with clarification on the use of Interpretations, we do not agree that the Interpretations are limited in the cases of “Where an issue can be addressed by an active standard drafting team.” or “Where a question has already been addressed in the record.” In the first instance, although duplication of effort is |

| Organization | Yes or No | Question 5 Comment |
|--|-----------|--|
| | | <p>not desirable, it is not acceptable that a Responsible Entity may be found in violation and subsequently penalized while awaiting development of a standards development process. In the second instance, if there is a question that has been ‘addressed in the record’ we believe that this clarity should be incorporated into the Reliability Standard itself.</p> |
| <p>Response: Thank you for your comments. It is evident that NPCC and NERC share the same objective—that duplication of effort is not desirable. It is this objective that forged the key governing principle regarding interpretations in the SPM: namely that “A valid interpretation response provides additional clarity about one or more Requirements, <i>but does not expand on any Requirement and does not explain how to comply with any Requirement.</i>” See Proposed SPM Section 7.0 Revisions at P 1, <i>emphasis added</i>. A SAR has always been and presently remains the best method of clarifying an ambiguity that a Responsible Entity has identified within a reliability standard. Permitting an entity to submit an Interpretation request while the requirement at issue could be addressed by an active standard drafting team would violate this foundational principle, and divert industry attention and resources away from their proper procedural channel.</p> <p>Regarding #5, “where a question has already been addressed in the record” NPCC states that “if there is a question that has been ‘addressed in the record’ we believe that this clarity should be incorporated into the Reliability Standard itself.” We disagree. If there is a factual question that has been asked and answered in the standard development process or in the record at the Federal Energy Regulatory Commission, an interpretation is inappropriate and would needlessly expend both NERC and industry resources in a duplicative effort.</p> | | |
| <p>ISO/RTO Council's Standards Review Committee</p> | <p>No</p> | <p>While we agree with clarification on the use of Interpretations, we do not agree that the Interpretations are limited in the cases of “Where an issue can be addressed by an active standard drafting team.” or “Where a question has already been addressed in the record.” In the first instance, although we understand that duplication of effort is not desirable, it is not acceptable that a Responsible Entity may be found in violation and subsequently penalized while awaiting development of a standards development process. In the second instance, if there is a question that has been ‘addressed in the record’ we believe that this clarity should be incorporated into the Reliability Standard itself.</p> |

| Organization | Yes or No | Question 5 Comment |
|--|-----------|---|
| <p>Response: Thank you for your comments. It is evident that ISO/RTO and NERC share the same objective—that duplication of effort is not desirable. It is this objective that forged the key governing principle regarding interpretations in the SPM: namely that <i>“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.”</i> See Proposed SPM Section 7.0 Revisions at P 1, <i>emphasis added</i>. A SAR has always been and presently remains the best method of clarifying an ambiguity that a Responsible Entity has identified within a reliability standard. Permitting an entity to submit an Interpretation request while the requirement at issue could be addressed by an active standard drafting team would violate this foundational principle, and divert industry attention and resources away from their proper procedural channel.</p> <p>Regarding #5, “where a question has already been addressed in the record” ISO/RTO states that “if there is a question that has been ‘addressed in the record’ we believe that this clarity should be incorporated into the Reliability Standard itself.” We disagree. If there is a factual question that has been asked and answered in the standard development process or in the record at the Federal Energy Regulatory Commission, interpretation is inappropriate and would needlessly expend both NERC and industry resources in a duplicative effort.</p> | | |
| Western Small Entity Comment Group | No | The comment group agrees that non-technical questions do not require the formation of a drafting team, but the revised SPM provides no alternative path to address such questions. The comment group would also like to point out that the Applicability sections of some of the proposed standards are getting very technical, and can see that entities may need clarification on applicability as well as on the requirements. |
| <p>Response: Thank you for your comments. The Interpretation process is intended to clarify questions regarding specific requirements. <i>“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.”</i> See Proposed SPM Revisions at P 1, <i>emphasis added</i>. Any non-technical question would likely refer to another, non-Requirement provision of a reliability standard, and thus violate this core governing principle of SPM Section 7.0. An interpretation request is thus, likely an improper vehicle to submit non-technical questions.</p> | | |
| PPL Corporation NERC Registered Affiliates | No | The PPL Companies support the intent and the majority of the changes to this section, but suggest a change in the last sentence of the first paragraph of Section |

| Organization | Yes or No | Question 5 Comment |
|--|-----------|--|
| | | <p>7.0. Since not all NERC Board of Trustees-approved Standards have a future effective date in the United States, we suggest changing the language to state, “Interpretations will only be provided for Board of Trustees-approved Reliability Standards, and only for the current effective or later versions of the Reliability Standard.” Also, while the PPL Companies agree with clarification on the use of Interpretations, we do not agree that the Interpretations are limited in the cases of “Where an issue can be addressed by an active standard drafting team.” or “Where a question has already been addressed in the record.” In the first instance, although we understand that duplication of effort is not desirable, it is not acceptable that a Responsible Entity may be found in violation and subsequently penalized while awaiting development of a standards development process. In the second instance, if there is a question that has been ‘addressed in the record’ we believe that this clarity should be incorporated into the Reliability Standard itself. The PPL Companies do not support, as it is currently written, the proposed addition of the paragraph (in Section 7.0) “The NERC Reliability Standards and Legal Staff shall review the final Interpretation to determine whether it has met the requirements for a valid Interpretation. Based on this review, the NERC Reliability Standards and Legal Staff shall make a recommendation to the NERC Board of Trustees regarding adoption.” We would support language that made clear “the requirements for a valid interpretation” that the NERC Staff would be using and language that clearly stated that the NERC Staff would only be using such limited requirements in determining its recommendation.</p> |
| <p>Response: Thank you for your comments. The intent of the language referenced by PPL is to allow Interpretations only for current or future versions of Reliability Standards. Interpretations for no longer effective versions of Reliability Standards should be rejected because they are inconsistent with the purpose of Interpretations- which is to provide clarity and not to provide guidance on compliance. In order to clarify this point, NERC will modify the last sentence of the first paragraph to read “Interpretations will not be provided for versions of reliability standards that are no longer effective.”</p> <p>It is evident that PPL and NERC share the same objective—that duplication of effort is not desirable. It is this objective that forged the key governing principle regarding interpretations in the SPM: namely that “A valid interpretation response provides additional clarity about one or more Requirements, <i>but does not expand on any Requirement and does not explain how to comply with any</i></p> | | |

| Organization | Yes or No | Question 5 Comment |
|---|-----------|--|
| <p><i>Requirement.” See Proposed SPM Revisions Section 7.0 at P 1, emphasis added. A SAR has always been and presently remains the best method of clarifying an ambiguity that a Responsible Entity has identified within a reliability standard. Permitting an entity to submit an Interpretation request while the requirement at issue could be addressed by an active standard drafting team would violate this foundational principle, and divert industry attention and resources away from their proper procedural channel. Interpretations should not be used as a method to shortcut the standard development process.</i></p> <p><i>If there is a factual question that has been asked and answered in the standard development process, an interpretation is inappropriate and would needlessly expend both NERC and industry resources in a duplicative effort.</i></p> <p><i>The purpose of the final review of the Interpretation is to ensure that the final product comports with the requirements set forth in the Standard Processes Manual.</i></p> | | |
| PacifiCorp | No | <p>PacifiCorp understands the concern that the interpretation process may lead to large volumes of work for drafting teams and delay in processing other pending standards projects, but those reasons alone are insufficient to limit an otherwise significant right of registered entities: to request reasonable clarifications or interpretations of approved standards that may otherwise be imprecise as presently drafted. It does not appear reasonable for NERC to focus its efforts on processing “high-priority standards projects” when there is a legitimate and reasonable request by registered entities to seek clarification of current active standards with which entities are already required to comply. To that end, PacifiCorp disagrees with certain of the enumerated example circumstances by which an Interpretation request may be rejected, as they actually appear to target the core reason as to when registered entities may bring legitimate Interpretation requests. For example, rejecting an Interpretation request that “[i]dentifies a gap or perceived weakness in the approved Reliability Standard,” fails to align with a common legitimate justification for a request; approved standards or requirements may have an identified gap or weakness that, as written, impact registered entities’ ability to have assurance that it may wholly comply. Further, rejecting an Interpretation request “[w]here an issue can be addressed by an active standard drafting team,” is insufficient as a general rule to justify a rejection; an active NERC project may not necessarily address the precise issue in the request and there is no telling how long the active drafting team</p> |

| Organization | Yes or No | Question 5 Comment |
|---|-----------|---|
| | | may take with its project, in any event. |
| <p>Response: Thank you for your comments. The governing principle of Section 7.0 is laid out in its first paragraph. “A valid interpretation response provides additional clarity about one or more Requirements, <i>but does not expand on any Requirement and does not explain how to comply with any Requirement.</i>” See Proposed SPM Section 7.0 Revisions at P 1, <i>emphasis added</i>. An Interpretation request is not the appropriate vehicle to identify a gap or perceived weakness in an approved Reliability Standard. Rather, the primary function of an Interpretation request is to provide clarity regarding Requirements. The proper vehicle for the identification of a gap or weakness in a Reliability Standard is a SAR.</p> <p>Additionally, PacifiCorp cited example #3 of the proposed modifications to Section 7.0 as being insufficient as a general rule to justify a rejection. That example reads “[w]here an issue can be addressed by an active standard drafting team,” it may be rejected. PacifiCorp asserted that “an active NERC project may not necessarily address the precise issue in the request and there is no telling how long the active drafting team may take with its project...” We remind PacifiCorp that Interpretations are required to follow the same process as Reliability Standards, and that Interpretations are a Requirement clarification mechanism, not a compliance tool. Going forward, it is intended for RSAWs to be drafted simultaneously with standards, allowing for such issues to be raised during the development process. We refer PacifiCorp to the April 2011 Guidelines issued by Standards Committee titled <i>Guidelines for Interpretation Drafting Teams</i>. That document lists four explicit prohibitions regarding what an interpretation may not do:</p> <p>An interpretation may not:</p> <ul style="list-style-type: none"> • be used to change an approved Reliability Standard or its applicability; • address a gap or perceived weakness in the approved Reliability Standard; • clarify or interpret sections of an approved Reliability Standard other than the requirements of the standard; • provide an opinion on a particular approach to complying with the requirements. <p>If there is an issue that can be addressed by a standing drafting team, use of the interpretation process is not appropriate.</p> | | |
| Trans Bay Cable LLC | No | I would recommend working towards writing more clear standards. They have become more "legal" than industry and thus require more review which leads to |

| Organization | Yes or No | Question 5 Comment |
|--|-----------|---|
| | | more clarifying questions. Make it simple, easy to use. |
| <p>Response: Thank you for your comment. NERC is continually striving to improve its standard development process by working with all stakeholders to promulgate clear, understandable Reliability Standards. If Trans Bay has any specific comments regarding the proposed modifications to SPM Section 7.0 on Interpretation processes, please make them known so that we may consider such input in drafting the final version of the SPM.</p> | | |
| Georgia System Operations Corporation | No | It could be acceptable if registered entities were involved in the approval of the interpretation. |
| <p>Response: Thank you for your comment. We remind GSOC that Interpretations are balloted in the same manner as Reliability Standards, and through this mechanism, registered entities are very much a part of the interpretation process and are involved in the approval of the interpretation.</p> | | |
| NextEra Energy | No | NextEra continues to favor its approach as presented in its original comments that clarifies how interpretations should be addressed. |
| <p>Response: Thank you for your comment. Please let us know if there are any elements presented in your original comments that are suitable for specific consideration in Section 7.0.</p> | | |
| Ameren | No | The proposal and its intent are good, but without further details (transparency criteria) we cannot support it at this time. |
| <p>Response: Thank you for your comment. It is unclear to us what Ameren means precisely by “further details (transparency criteria).” The text within the blue box in the upper right-hand corner of the proposed modifications to Section 7.0 defines the scope of this effort:</p> <p>[c]hanges to Section 7.0 are intended to clarify the basis and process for rejecting an interpretation, consistent with guidance issued by the NERC Board of Trustees in November 2009, and to incorporate some of the elements of the Standards Committee’s <i>Guidelines to Interpretation Drafting Teams</i>.</p> <p>The proposed changes to Section 7.0 are intended to provide additional clarity and transparency to the processing of</p> | | |

| Organization | Yes or No | Question 5 Comment |
|--|-----------|---|
| Interpretations. | | |
| Kansas City Power & Light | No | |
| ACES Power Marketing Standards Collaborators | Yes | <p>Overall, we think the section will be helpful but do note a one issue. While we agree that it would be useful for the interpretation drafting team to develop a SAR for a reliability gap that they identified, we disagree with the language in this section that states they must do this. The team members were nominated to fulfill a purpose which is the interpretation of a standard. They were not nominated to write a standard. While many interpretation drafting teams may wish to submit a SAR, team members may decide that it is beyond their commitment and they simply do not have the time. Development of a standard is more time consuming than interpreting a standard.</p> |
| <p>Response: Thank you for your comment. If ACES’s primary concern is that writing a SAR may be too taxing on the time of Interpretation drafting team members, then we are willing to amend the proposed language. Our primary concern is that if a reliability gap is identified by the Interpretation drafting team, it is made known to the Standards Committee without delay. Thus we will not require that a SAR be written, but rather only require that the Standards Committee be notified of the reliability gap.</p> | | |
| Southern Company | Yes | <p>At Section 7.0: Process for Developing an Interpretation, it is not clear why an interpretation request should be rejected when it “identifies a gap or perceived weakness in the approved Reliability Standard.” Is this example correct?</p> |
| <p>Response: We would like to thank Southern for its comments regarding Question #5. Yes, the example provided is correct. Southern asked for clarification regarding example #2 listed on the first page of the proposed modifications to SPM Section 7.0. These examples illustrate conditions in which an Interpretation Request might be rejected. Specifically, example #2 states that when an Interpretation Request “[i]dentifies a gap or perceived weakness in the approved Reliability Standard” it may be rejected.</p> <p>The governing principle of Section 7.0 is laid out in its first paragraph. “A valid interpretation response provides additional clarity about one or more Requirements, <i>but does not expand on any Requirement and does not explain how to comply with any</i></p> | | |

| Organization | Yes or No | Question 5 Comment |
|---|-----------|--|
| <p><i>Requirement.” See Proposed SPM Section 7.0 Revisions at P 1, emphasis added. An Interpretation Request is not the appropriate vehicle to identify of a gap or perceived weakness in an approved Reliability Standard. Rather, the primary function of an Interpretation Request is to provide clarity regarding Requirements. The proper vehicle for the identification of a gap or weakness in a Reliability Standard is SAR.</i></p> <p><i>Additionally, we refer Southern to the April 2011 Guidelines issued by the Standards Committee titled Guidelines for Interpretation Drafting Teams. That document lists four explicit prohibitions regarding what an interpretation may not do (please note second item listed):</i></p> <p><i>An interpretation may not:</i></p> <ul style="list-style-type: none"> <i>• be used to change an approved Reliability Standard or its applicability;</i> <i>• address a gap or perceived weakness in the approved Reliability Standard;</i> <i>• clarify or interpret sections of an approved Reliability Standard other than the requirements of the standard;</i> <i>• provide an opinion on a particular approach to complying with the requirements.</i> | | |
| EPSA | Yes | See comprehensive comments in Question 7. |
| <p>Response: Thank you for your comments. The EPSA comments in Question 7 do not appear to address interpretations.</p> | | |
| Duke Energy | Yes | 1) Please expand on the term “plain on its face” in the eighth example of why an Interpretation may be rejected. It is not clear how that will be assessed. 2) As noted in the response to Question 3, Measures should be retained as an element of the reliability standard and should be subject to interpretation as they could require technical expertise to interpret. |
| <p>Response: We would like to thank Duke for its comments regarding question #5. The term “plain on its face” is meant as it is commonly used to mean something that is clear and unambiguous to a reasonable person.</p> <p>Duke encouraged NERC to retain Measures as elements of a reliability standard and to permit measures to be subject to Interpretations. However, the governing principle of Section 7.0 is laid out in its first paragraph. “A valid interpretation response</p> | | |

| Organization | Yes or No | Question 5 Comment |
|---|-----------|---|
| <p>provides additional clarity about one or more Requirements, <i>but does not expand on any Requirement and does not explain how to comply with any Requirement.</i>” See Proposed SPM Section 7.0 Revisions at P 1, <i>emphasis added</i>. The primary function of an Interpretation Request is to provide clarity regarding Requirements.</p> <p>Additionally, we refer Duke to the April 2011 Guidelines issued by the Standards Committee titled <i>Guidelines for Interpretation Drafting Teams</i>. That document lists four explicit prohibitions regarding what an interpretation may not do (please note the third item listed):</p> <p>An interpretation may not:</p> <ul style="list-style-type: none"> • be used to change an approved Reliability Standard or its applicability; • address a gap or perceived weakness in the approved Reliability Standard; • clarify or interpret sections of an approved Reliability Standard other than the requirements of the standard; • provide an opinion on a particular approach to complying with the requirements. | | |
| American Electric Power | Yes | In Step 3 of the process flow, it states “If the Standards Committee rejects the Interpretation request, it shall provide a written explanation for rejecting the SAR to the entity...”. Should this instead state “shall provide a written explanation for rejecting the Interpretation Request to the entity”? |
| <p>Response: We would like to thank AEP for its comments regarding Question #5. AEP pointed out a typo in Step 3 of the process flow chart. We thank AEP for identifying this mistake and will fix it.</p> | | |
| Occidental Energy Ventures Corp | Yes | OEV believes that by instituting a concurrent standard/RSAW review process, the project team has embarked upon a path which will greatly reduce the need for interpretations and Compliance Application Notices. Although never quite perfectly achievable, that is the appropriate goal of the Standards Development process. We have no problem with language that discourages the submission of minor issues into the interpretations process. |

| Organization | Yes or No | Question 5 Comment |
|---|-----------|--------------------|
| <p>Response: We would like to thank Occidental for its comments regarding Question #5. We are pleased to have its support behind the proposed modifications to SPM Section 7.0.</p> | | |
| MRO NSRF | Yes | |
| Dominion | Yes | |
| Detroit Edison | Yes | |
| SPP Standards Review Group | Yes | |
| FirstEnergy | Yes | |
| JEA | Yes | |
| SERC Planning Standards Subcommittee | Yes | |
| Bonneville Power Administration | Yes | |
| Arizona Public Service Company | Yes | |
| Idaho Power Co. | Yes | |
| Public Service Enterprise Group | Yes | |
| Owensboro Municipal Utilities | Yes | |

| Organization | Yes or No | Question 5 Comment |
|--|-----------|--------------------|
| NIPSCO | Yes | |
| Essential Power, LLC | Yes | |
| CenterPoint Energy Houston Electric L.L.C. | Yes | |
| American Transmission Company | Yes | |
| Pepco Holdings Inc | Yes | |
| City of Jacksonville Beach, FL dba/Beaches Energy Services | Yes | |
| Oklahoma Gas & Electric | Yes | |
| Liberty Electric Power LLC | Yes | |
| Independent Electricity System Operator | Yes | |
| South Carolina Electric and Gas | Yes | |
| Trans Bay Cable LLC | Yes | |
| HHWP | Yes | |
| American Public Power Association | Yes | |

| Organization | Yes or No | Question 5 Comment |
|--|-----------|---|
| CPS Energy | Yes | |
| Oncor Electric Delivery | Yes | |
| National Rural Electric Cooperative Association (NRECA) | | <p>NRECA is not clear on why an interpretation can't be done for the reason listed in item 2. Please support this provision or delete it. Also, in item 8, NRECA requests that clarification be added to the SPM on who determines whether the meaning of a Reliability Standard is plain on its face. In the second to last paragraph of Section 7.0, in the second line after "Based on this review," add "and after passing industry ballot" to clarify this language.</p> |
| <p>Response: Thank you for your comments. NRECA inquired as to why an Interpretation could not be offered for an Interpretation request that "identifies a gap or perceived weakness in the approved Reliability Standard" as specified in Example #2 on the first page of the proposed modifications to SPM Section 7.0. The governing principle of Section 7.0 is laid out in its first paragraph. "A valid interpretation response provides additional clarity about one or more Requirements, <i>but does not expand on any Requirement and does not explain how to comply with any Requirement.</i>" See Proposed SPM Section 7.0 Revisions at P 1, <i>emphasis added</i>. An Interpretation Request is not the appropriate vehicle to identify of a gap or perceived weakness in an approved Reliability Standard. Rather, the primary function of an Interpretation Request is to provide clarity regarding Requirements. The proper vehicle for the identification of a gap or weakness in a Reliability Standard is a SAR.</p> <p>Additionally, we refer NRECA to the April 2011 Guidelines issued by the Standards Committee titled <i>Guidelines for Interpretation Drafting Teams</i>. That document lists four explicit prohibitions regarding what an interpretation may not do (please note the second item listed):</p> <p>An interpretation may not:</p> <ul style="list-style-type: none"> • be used to change an approved Reliability Standard or its applicability; • address a gap or perceived weakness in the approved Reliability Standard; • clarify or interpret sections of an approved Reliability Standard other than the requirements of the standard; • provide an opinion on a particular approach to complying with the requirements. <p>NRECA also requested that clarification be added to the SPM regarding who will determine whether the meaning of a Reliability</p> | | |

| Organization | Yes or No | Question 5 Comment |
|--|-----------|--|
| | | <p>Standard is “plain on its face,” as specified in Example #8 of Section 7.0. We direct NRECA to the paragraph immediately preceding the list of examples, which identifies NERC Reliability Standards and Legal Staff as the bodies that will make such a determination, and present their determination to the Standards Committee.</p> <p>Lastly, NRECA asked us to modify the second to last paragraph of Section 7.0, which reads:</p> <p>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.</p> <p>NRECA requested that in the second sentence, after the phrase “[b]ased on this review,” we insert the phrase “and after passing industry ballot.” We do not believe that this addition is necessary. Interpretations are balloted in the same manner as Reliability Standards.</p> |
| <p>Exelon Corporation and its affiliates</p> | | <p>Additional clarification language should be added to the Section 7.0 Interpretations:</p> <ul style="list-style-type: none"> o The language should acknowledge that when a project to address an issue raised in an interpretation request changes from an Interpretation project (subject to Section 7.0 provisions) to a standard revision project, it adopts the process for modifying a Reliability Standard (subject to Section 4.0 provisions). o In addition, the development record should accurately reflect the Standards Committee decision to change an Interpretation to a Standard revision including clear discussion of any objections to the decision. Typo: “Staffs” should be singular. |
| | | <p>Response: Thank you for your comments. We thank Exelon for its comments regarding Question #5. Exelon requested additional language that would “acknowledge that when a project to address an issue raised in an Interpretation request changes from an Interpretation project (subject to Section 7.0 provisions) to a standard revision project, it adopts the process for modifying a Reliability Standard (subject to Section 4.0 provisions). We will not add this language as we believe this is self-explanatory within the SPM.</p> <p>Exelon also suggested that the development record accurately reflect the Standards Committee decision to change an Interpretation to a Standard revision, including clear discussion of any objections to the decision. We agree that this information should be reflected in the development record, but we maintain the position that the specific details of what should be included in the development record of a Reliability Standard should not be set forth in the SPM at such a granular level.</p> |

6. In the first posted revisions to the SPM, the SCPS proposed the addition of section 16.0, which introduced a waiver provision to allow the SC some flexibility in administering the standards process to meet reliability needs. In other words, the waiver process allows the SC to modify the standards process in rare cases for good cause.

Many stakeholders were concerned about this addition, but the SCPS continues to believe that a waiver provision is essential for giving the SC, and thus the industry, the ability to act expeditiously when necessary for reliability (e.g., in responding to regulatory directives in a timely manner). The waiver provision would not give the SC unilateral power in modifying the process, but would require a presentation to the BOT explaining the need for the use of waiver. It could only be utilized if the BOT supported the explanation for the need of the waiver.

With this additional clarification, can you support the addition of the waiver provision in section 16.0?

Summary Consideration:

Section 16.0 is intended to provide clarity to the Standards Committee's authority to waive provisions of the Standard Processes Manual and limits the circumstances under which the Standards Committee can take such actions. Section 16.0 states that the waiver provision cannot be used to modify the requirements for achieving quorum or the voting requirements for approval of a standard. NERC is firmly committed to the consensus-based stakeholder standards development process that is set out in NERC's Rules of Procedure.

The waiver provision would not violate ANSI. The currently-effective Standard Process Manual already provides a process for the expedited development of Reliability Standards where necessary "to meet an urgent reliability issue such that there isn't time to follow all the steps in the normal Reliability Standards development process." The waiver provision replaces this section in its entirety.

In the currently-effective Standard Process Manual, the section on Processes for Developing a Reliability Standard Related to a Confidential Issue states: "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 ANSI standards." (emphasis added). The concept that certain Reliability Standards will not be filed with ANSI is not a new one to the Standard Processes Manual nor does it jeopardize NERC's accreditation.

The waiver provision is intended as a tool to allow the Standards Committee to manage the standards development process. The Standards Committee is tasked with protecting the "credibility and integrity of the standards development process." See Standards Committee Charter, available here: http://www.nerc.com/files/SC_Charter_clean_for_BOT_approval_20110417.pdf

In response to stakeholders concerns regarding transparency, openness and due process protections, we have incorporated the concept of a notice period for stakeholders prior to consideration of a waiver request by the Standards Committee and clarified how notice to stakeholders will be provided when the waiver provision is exercised. We have also incorporated a provision for the immediate reporting of waivers by the Standards Committee to the Standards Oversight & Technology Committee of the NERC Board of Trustees.

| Organization | Yes or No | Question 6 Comment |
|---|-----------|---|
| NPCC | No | <p>Comments: The SC already has, and has previously, exercised the ‘authority’ to ‘deviate’ from the process. However, the current requirement is that the SC must report these ‘deviations’ to the CCC and Board. With this blanket waiver, the industry would lose the information that may be critical to understanding when and where the process may be broken and, therefore needs to be deviated from.</p> |
| <p>Response: Thank you for your comments. Section 16.0 specifically provides that the use of the waiver provision will be reported to the Board of Trustees: “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.”</p> <p>In response to stakeholders concerns regarding transparency, openness and due process protections, we have incorporated the concept of a notice period for stakeholders prior to consideration of a waiver request by the Standards Committee and clarified how notice to stakeholders will be provided when the waiver provision is exercised. We have also incorporated a provision for the immediate reporting of waivers by the Standards Committee to the Standards Oversight & Technology Committee of the NERC Board of Trustees.</p> <p>Therefore, no information regarding the standard development process is lost.</p> | | |
| MRO NSRF | No | <p>We discourage the use of a waiver process. We do not believe that taking action on reliability directives and standards in a faster fashion will increase the reliability of the grid, but following the standards process that has received consensus from the industry will better lead to a more reliable grid.</p> |
| <p>Response: Thank you for your comments. The waiver provision is intended to be used under a very limited set of circumstances, for example, where it is necessary to address an urgent reliability issue. The currently-effective Standard Process Manual provides a process for the expedited development of Reliability Standards where necessary “to meet an urgent reliability issue such that</p> | | |

| Organization | Yes or No | Question 6 Comment |
|---|-----------|---|
| | | <p>there isn't time to follow all the steps in the normal Reliability Standards development process." The waiver provision replaces this section in its entirety. The need for the ability to address urgent reliability issues has been reflected in FERC's orders certifying NERC as the ERO. See for example P 253 of <i>North American Electric Reliability Corp.</i>, 116 FERC ¶ 61,062 (2006) "in rare instances, the urgent action process may not be sufficiently expedited, such as if necessary to address an imminent threat to national security. We require NERC to address whether the urgent action process, or some other process, can accommodate any such rare circumstances. "</p> <p>There is a direct relationship between reliability of the grid and the need for the ability to take action on Reliability Standards in a timely manner.</p> |
| <p>ISO/RTO Council's Standards Review Committee</p> | <p>No</p> | <p>We believe the SC already has, and has previously exercised, the 'authority' to 'deviate' from the process. However, the current requirement is that the SC must report these 'deviations' to the CCC and Board. With this blanket waiver, the industry would lose the information that may be critical to understanding when and where the process may be broken and, therefore, needs to be deviated from.</p> |
| | | <p>Response: Thank you for your comments. Section 16.0 specifically provides that the use of the waiver provision will be reported to the Board of Trustees: "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."</p> <p>In response to stakeholders concerns regarding transparency, openness and due process protections, we have incorporated the concept of a notice period for stakeholders prior to consideration of a waiver request by the Standards Committee and clarified how notice to stakeholders will be provided when the waiver provision is exercised. We have also incorporated a provision for the immediate reporting of waivers by the Standards Committee to the Standards Oversight & Technology Committee of the NERC Board of Trustees.</p> <p>Therefore, no information regarding the standard development process is lost.</p> |
| <p>PPL Corporation NERC Registered Affiliates</p> | <p>No</p> | <p>The PPL Companies believe the Standards Committee already has, and has previously exercised, the authority to deviate from the process. However, the current requirement is that the SC must report these deviations to the CCC and Board. We</p> |

| Organization | Yes or No | Question 6 Comment |
|--|-----------|---|
| | | <p>would support language in this section that more clearly stated the current process, while leaving in place the current requirements for reporting to the CCC and Board.</p> |
| <p>Response: Response: Thank you for your comments. Section 16.0 specifically provides that the use of the waiver provision will be reported to the Board of Trustees: “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.”</p> <p>In response to stakeholders concerns regarding transparency, openness and due process protections, we have incorporated the concept of a notice period for stakeholders prior to consideration of a waiver request by the Standards Committee and clarified how notice to stakeholders will be provided when the waiver provision is exercised. We have also incorporated a provision for the immediate reporting of waivers by the Standards Committee to the Standards Oversight & Technology Committee of the NERC Board of Trustees.</p> <p>Section 16.0 is intended to provide clarity to the Standards Committee’s authority to waive provisions of the Standard Processes Manual and limits the circumstances under which the Standards Committee can take such actions. In addition, Section 16.0 states that the waiver provision cannot be used to modify the requirements for achieving quorum or the voting requirements for approval of a standard. NERC is firmly committed to the consensus-based stakeholder standards development process that is set out in NERC’s Rules of Procedure.</p> | | |
| <p>ACES Power Marketing Standards Collaborators</p> | <p>No</p> | <p>We cannot support the waiver section in its current form. It is simply too broad. First, the third bullet causes us particular concern. The Standards Committee (SC) and many drafting teams have misinterpreted industry support for modifications of a standard, definition, etc. many times in the past. Thus, based on history, we are not convinced that the SC could accurately determine that a modification has been fully vetted or that the change is so insubstantial on behalf of industry without a ballot. If the purpose of a waiver for an insubstantial change is to streamline errata changes, we suggest this bullet should be modified to state this directly. Second, contrary to the explanation associated with this question, the waiver section simply does not reflect that the Standards Committee (SC) will only utilize the waiver if the BOT supports the use of the waiver. It only requires the SC to report the use of the waiver to the BOT. Furthermore, waiting for approval from the NERC BOT would only slow down the process anyway which defeats the purpose of the waiver. Third, we do not</p> |

| Organization | Yes or No | Question 6 Comment |
|--|-----------|---|
| | | <p>understand what is driving the need for the waiver section. We are not aware of any regulatory deadline for development of a standard that NERC has failed to meet under the existing process.</p> |
| <p>Response: Thank you for your comments.</p> <p>With respect to your comment on the third bullet, the intent is to allow drafting teams the flexibility to make limited additional substantive changes for an abbreviated industry comment period, to for example, adopt language proposed by commenters. Such changes would not qualify as errata.</p> <p>With respect to your suggestion that the BOT approve use of the waiver, in response to stakeholders concerns regarding transparency, openness and due process protections, we have incorporated the concept of a notice period for stakeholders prior to consideration of a waiver request by the Standards Committee and clarified how notice to stakeholders will be provided when the waiver provision is exercised. We have also incorporated a provision for the immediate reporting of waivers by the Standards Committee to the Standards Oversight & Technology Committee. Finally, we have added a footnote indicating that 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.</p> <p>With respect to your broader concerns about the need for the waiver section, we suggest that in order for the ERO model to be successful, NERC must have the ability to meet regulatory deadlines. Pursuant to section 215(d)(5) of the FPA, the Commission may direct the ERO to submit to the Commission a new or modified Reliability Standard that addresses a specific matter if the Commission considers such a new or modified Standard appropriate to carry out section 215. As the ERO, NERC must be able to comply with a Commission directive pursuant to section 215(d)(5) of the FPA. The Commission has expressed concern that the standard development process can be misused to “delay or block NERC’s ability to report to a Commission directive” See North American Electric Reliability Corp., 130 FERC ¶ 61,203 at P 23 (2010).</p> <p>NERC has failed to meet several Commission-imposed regulatory deadlines and has repeatedly sought extensions from the Commission.</p> <p>The Commission has continuously expressed concern regarding the amount of time it takes to develop a Reliability Standard.</p> <ul style="list-style-type: none"> See North American Electric Reliability Corp., 118 FERC ¶ 61,030 at P 31 (2007)(“Both in Order No. 672 and in the Certification Order we expressed concern with the length of time the ERO process takes to develop a Reliability Standard. The ERO has never, to our knowledge, developed a Reliability Standard under its normal process in four months or | | |

| Organization | Yes or No | Question 6 Comment |
|--|-----------|--|
| | | <p>developed an urgent action Reliability Standard in 60 days.”).</p> <ul style="list-style-type: none"> • <i>North American Electric Reliability Corp. Reliability Standards Development et al., 132 FERC ¶ 61,217 (2010)</i>(“In its application for certification as the ERO, NERC indicated that under its usual ANSI-accredited process in effect at the time, a Reliability Standard may be developed in as little as four months, or up to 12 to 15 months for a more complex Standard. However, the NERC analysis submitted in this docket indicates that, in practice, it has taken considerably longer, an average processing time of 21.7 months, to develop Reliability Standards. The average processing time is even longer if ‘urgent action’ Standards are not considered. Given this analysis, the Commission continues to have some concerns regarding NERC’s ability to timely develop Reliability Standards.”)(internal citations omitted). <p>NERC, the Regional Entities and industry stakeholders have a significant mutual investment in developing a sustainable Reliability Standards program that will maintain the reliability of the bulk power system in North America. The success of the unique Electric Reliability Organization (ERO) model requires NERC to develop and maintain a body of high-quality, effective Reliability Standards. NERC is at risk of losing the confidence of U.S. regulatory authorities and industry executives in its ability to produce standards in a timely and efficient manner.</p> <p>Section 16.0 is intended to provide clarity to the Standards Committee’s authority to waive provisions of the Standard Processes Manual and limits the circumstances under which the Standards Committee can take such actions. In addition, Section 16.0 states that the waiver provision cannot be used to modify the requirements for achieving quorum or the voting requirements for approval of a standard. NERC is firmly committed to the consensus-based stakeholder standards development process that is set out in NERC’s Rules of Procedure.</p> <p>The Standards Committee is tasked with protecting the “credibility and integrity of the standards development process.” See Standards Committee Charter, available here: http://www.nerc.com/files/SC Charter clean for BOT approval 20110417.pdf.</p> |
| <p>SERC Planning Standards Subcommittee</p> | <p>No</p> | <p>We do not agree with the latitude granted by this provision. We feel that some industry input, even if abbreviated and burdensome, is preferred over the currently proposed approach.</p> |
| <p>Response: Thank you for your comments. The waiver provision is intended as a tool to allow the Standards Committee to manage the standards development process. The Standards Committee is tasked with protecting the “credibility and integrity of the standards development process.” See Standards Committee Charter, available here:</p> | | |

| Organization | Yes or No | Question 6 Comment |
|---|-----------|--|
| <p>http://www.nerc.com/files/SC Charter clean for BOT approval 20110417.pdf.</p> <p>The Standards Committee is comprised of industry members from each segment. By definition, there is industry input into the consideration by the Standards Committee of the use of the waiver provision under Section 16.0.</p> <p>In order to address your concern regarding notice to stakeholders, the concept of a notice period for stakeholders prior to consideration of a waiver request by the Standards Committee has been incorporated. We have clarified how notice to stakeholders will be provided when the waiver provision is exercised. We have also incorporated a provision for the immediate reporting of waivers by the Standards Committee to the Standards Oversight & Technology Committee. Finally, we have added a footnote indicating that 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.</p> | | |
| PacifiCorp | No | <p>PacifiCorp purports that the exercise of a waiver provision will result in a violation of NERC’s ANSI-approved standards development process. Additionally, reporting the exercise of a waiver to the Board of Trustees (BOT) prior to adopting a standard is unacceptable. The exercise of the waiver and BOT approval may be separated by years of work by both the Standards Committee (SC) and the Standards Drafting Team (SDT). Each exercise of an SC waiver should have BOT finality so that the BOT will not be pressured to approve any waiver, regardless of the facts, to preserve the substantial body of work that has followed the exercise of waiver by the SC. At a minimum, waivers to the SPM should be preceded by the following: a. The posting of an SC document to the Registered Ballot Body (RBB) that describes the reason for the requested waiver, including the threat to reliability, and what processes would be affected by the waiver. b. A short (10 day) period for accepting RBB comments. c. After comments are received, the SC may either withdraw the waiver or request its expedited approval by the BOT, ensuring that the board is supplied with the comments received. The entire process proposed above could be completed within 30-45 days, causing a minor delay for the (hopefully) rare exercise by the SC of waiving an SPM provision.</p> |
| <p>Response: The waiver provision would not violate ANSI. The currently-effective Standard Process Manual already provides a process for the expedited development of Reliability Standards where necessary “to meet an urgent reliability issue such that</p> | | |

| Organization | Yes or No | Question 6 Comment |
|---|-----------|---|
| | | <p>there isn't time to follow all the steps in the normal Reliability Standards development process." The waiver provision replaces this section in its entirety.</p> <p>In the currently-effective Standard Process Manual, the section on Processes for Developing a Reliability Standard Related to a Confidential Issue states: "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 <u>shall not be filed with ANSI for approval as ANSI standards.</u>" (emphasis added). The concept that certain Reliability Standards will not be filed with ANSI is not a new one to the Standard Processes Manual nor does it jeopardize NERC's accreditation.</p> <p>In order to address your concern regarding the potential lag in reporting to the Board of Trustees, additional language has been added to require reporting of the use of the waiver provision to the Standards Oversight & Technology Committee.</p> <p>In order to address your concern regarding notice to stakeholders, the concept of a notice period for stakeholders prior to consideration of a waiver request by the Standards Committee has been incorporated. We have clarified how notice to stakeholders will be provided when the waiver provision is exercised. We have also incorporated a provision for the immediate reporting of waivers by the Standards Committee to the Standards Oversight & Technology Committee. Finally, we have added a footnote indicating that 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.</p> <p>NERC, the Regional Entities and industry stakeholders have a significant mutual investment in developing a sustainable Reliability Standards program that will maintain the reliability of the bulk power system in North America. The success of the unique Electric Reliability Organization (ERO) model requires NERC to develop and maintain a body of high-quality, effective Reliability Standards. The current trajectory is unsustainable and, without considering significant course correction, the ERO and industry finds itself nearing a critical juncture where alternate methods to accomplish the development of mandatory Reliability Standards has become necessary. NERC is at risk of losing the confidence of U.S. regulatory authorities and industry executives in its ability to produce standards in a timely and efficient manner.</p> <p>Adding an additional 30-45 days to the standard development process in order to utilize a waiver as proposed would defeat the very purpose of the waiver provision- which is to add flexibility to the process.</p> |
| National Rural Electric Cooperative Association | No | NRECA presumes that the elimination of expedited standards development process is being done in conjunction with the addition of Section 16 that provides for waiver authority. While the expedited process has its complications, NRECA believes it would |

| Organization | Yes or No | Question 6 Comment |
|---|-----------|--|
| (NRECA) | | <p>troublesome to eliminate this section from an optics point of view. NRECA requests that the expedited process be revised to address the existing problems and eliminate, or significantly limit the provision of the proposed overly broad waiver section. Having a formal expedited process shows FERC and Congress we are prepared to move very quickly if needed and that we have a formal process to that clearly demonstrates how such work can be completed. NRECA continues to have significant concerns with the proposed overly broad waiver section. If the expedited process section is maintained (and improved upon to address current problems) then this overly broad waiver provision should not be needed. There has been no other demonstration of need for such a broad waiver provision. NRECA requests the waiver provision be deleted or revised to significantly limit the situations when it can be used.</p> |
| <p>Response: Thank you for your comments. NERC, the Regional Entities and industry stakeholders have a significant mutual investment in developing a sustainable Reliability Standards program that will maintain the reliability of the bulk power system in North America. The success of the unique Electric Reliability Organization (ERO) model requires NERC to develop and maintain a body of high-quality, effective Reliability Standards. The current trajectory is unsustainable and, without considering significant course correction, the ERO and industry finds itself nearing a critical juncture where alternate methods to accomplish the development of mandatory Reliability Standards has become necessary. NERC is at risk of losing the confidence of U.S. regulatory authorities and industry executives in its ability to produce standards in a timely and efficient manner.</p> <p>The waiver provision is intended as a tool to allow the Standards Committee to manage the standards development process. The Standards Committee is tasked with protecting the “credibility and integrity of the standards development process.” See Standards Committee Charter, available here: http://www.nerc.com/files/SC Charter clean for BOT approval 20110417.pdf.</p> <p>Section 16.0 is not a “full waiver provision” and is not overly broad. The waiver provision is intended to be used under a very limited set of circumstances, for example, where it is necessary to address an urgent reliability issue. As you note, the currently-effective Standard Process Manual provides a process for the expedited development of Reliability Standards where necessary “to meet an urgent reliability issue such that there isn’t time to follow all the steps in the normal Reliability Standards development process.” The waiver provision replaces this section in its entirety. The need for the ability to address urgent reliability issues has been reflected in FERC’s orders certifying NERC as the ERO. See for example P 253 of <i>North American Electric Reliability Corp.</i>, 116 FERC ¶ 61,062 (2006) “in rare instances, the urgent action process may not be sufficiently expedited, such as if necessary to</p> | | |

| Organization | Yes or No | Question 6 Comment |
|---|-----------|---|
| <p>address an imminent threat to national security. We require NERC to address whether the urgent action process, or some other process, can accommodate any such rare circumstances. “</p> <p>NERC is firmly committed to the consensus-based stakeholder standards development process that is set out in NERC’s Rules of Procedure.</p> | | |
| Trans Bay Cable LLC | No | <p>There was not enough information on how/when this could/would be used. I see this being used for standards such as CIP V5 that do not pass the voting process and are "pushed through" to meet FERC deadlines. More information on when this would be used and what controls would be in place are needed.</p> |
| <p>Response: Thank you for your comments. Section 16.0 is intended to provide clarity to the Standards Committee’s authority to waive provisions of the Standard Processes Manual and limits the circumstances under which the Standards Committee can take such actions. Section 16.0 states that the waiver provision cannot be used to modify the requirements for achieving quorum or the voting requirements for approval of a standard. NERC is firmly committed to the consensus-based stakeholder standards development process that is set out in NERC’s Rules of Procedure.</p> <p>In order to address your concern regarding what controls are in place, additional language has been added to require reporting of the use of the waiver provision to the Standards Oversight & Technology Committee.</p> <p>In response to stakeholders concerns regarding transparency, openness and due process protections, we have incorporated the concept of a notice period for stakeholders prior to consideration of a waiver request by the Standards Committee and clarified how notice to stakeholders will be provided when the waiver provision is exercised. We have also incorporated a provision for the immediate reporting of waivers by the Standards Committee to the Standards Oversight & Technology Committee. Finally, we have added a footnote indicating that 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.</p> <p>Section 8.0 of the Standard Processes Manual provides: “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.”</p> | | |
| Public Service Enterprise | No | <p>First, the use of a waiver will result is a violation of the NERC’s American National</p> |

| Organization | Yes or No | Question 6 Comment |
|--|-----------|--|
| Group | | <p>Standards Institute (ANSI)-approved standards development process; otherwise, section 16.0 would not contain the sentence “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.”Second, reporting the use of a waiver prior to the Board of Trustees (BOT) adopting a standard is unacceptable - see the sentence “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.” The exercise of the waiver and BOT approval may be separated by years of work by the both the Standards Committee (SC) and the standards drafting team (SDT). Each exercise of an SC waiver should have BOT finality so that the BOT will not be pressured to approve any waiver, regardless of the facts, in order to not reject the substantial body of work that has followed the exercise of the waiver by the SC. As we suggested in our prior comments, at a minimum, waivers to the SPM should be preceded by the following:a. The posting of an SC document to the RBB that describes the reason for the requested waiver, including the threat to reliability, and what processes would be affected by the waiver.b. A short (10 day) period for accepting RBB comments.c. After comments are received, the SC may either withdraw the waiver or request its expedited approval by the NERC board, ensuring that the board is supplied with the comments received.This entire process proposed above could be completed within 30-45 days, causing a minor delay for the hopefully rare exercise by the SC of waiving an SPM provision.If this provision is adopted in the next SPM version, we will vote “Affirmative.”</p> |
| <p>Response: The waiver provision would not violate ANSI. The currently-effective Standard Process Manual already provides a process for the expedited development of Reliability Standards where necessary “to meet an urgent reliability issue such that there isn’t time to follow all the steps in the normal Reliability Standards development process.” The waiver provision replaces this section in its entirety.</p> <p>In the currently-effective Standard Process Manual, the section on Processes for Developing a Reliability Standard Related to a Confidential Issue states: “When faced with a national security emergency situation, NERC may use one of the following special</p> | | |

| Organization | Yes or No | Question 6 Comment |
|--|-----------|---|
| <p>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 <u>shall not be filed with ANSI for approval as ANSI standards.</u>” (emphasis added). The concept that certain Reliability Standards will not be filed with ANSI is not a new one to the Standard Processes Manual nor does it jeopardize NERC’s accreditation.</p> <p>In order to address your concern regarding notice to stakeholders, the concept of a notice period for stakeholders prior to consideration of a waiver request by the Standards Committee has been incorporated. We have clarified how notice to stakeholders will be provided when the waiver provision is exercised. We have also incorporated a provision for the immediate reporting of waivers by the Standards Committee to the Standards Oversight & Technology Committee. Finally, we have added a footnote indicating that 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.</p> <p>NERC, the Regional Entities and industry stakeholders have a significant mutual investment in developing a sustainable Reliability Standards program that will maintain the reliability of the bulk power system in North America. The success of the unique Electric Reliability Organization (ERO) model requires NERC to develop and maintain a body of high-quality, effective Reliability Standards. The current trajectory is unsustainable and, without considering significant course correction, the ERO and industry finds itself nearing a critical juncture where alternate methods to accomplish the development of mandatory Reliability Standards has become necessary. NERC is at risk of losing the confidence of U.S. regulatory authorities and industry executives in its ability to produce standards in a timely and efficient manner.</p> <p>Adding an additional 30-45 days to the standard development process in order to utilize a waiver as proposed would defeat the very purpose of the waiver provision, which is to add flexibility to the process.</p> <p>Section 8.0 of the Standard Processes Manual provides the right of appeal: “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.” Any entity would have the right to appeal the use of the waiver provision at the time that the waiver is approved by the Standards Committee or when public notice of intent to use waiver is issued.</p> | | |
| Owensboro Municipal Utilities | No | OMU is not opposed to a fast track process utilizing specific guidelines or criteria ;however, we cannot support a full waiver provision with the SC. |

| Organization | Yes or No | Question 6 Comment |
|--|-----------|--|
| <p>Response: Thank you for your comments. Section 16.0 is not a “full waiver provision.” The waiver provision is intended to be used under a very limited set of circumstances, for example, where it is necessary to address an urgent reliability issue. The currently-effective Standard Process Manual provides a process for the expedited development of Reliability Standards where necessary “to meet an urgent reliability issue such that there isn’t time to follow all the steps in the normal Reliability Standards development process.” The waiver provision replaces this section in its entirety. The need for the ability to address urgent reliability issues has been reflected in FERC’s orders certifying NERC as the ERO. See for example P 253 of <i>North American Electric Reliability Corp.</i>, 116 FERC ¶ 61,062 (2006) “in rare instances, the urgent action process may not be sufficiently expedited, such as if necessary to address an imminent threat to national security. We require NERC to address whether the urgent action process, or some other process, can accommodate any such rare circumstances. “</p> <p>Section 16.0 is intended to provide clarity to the Standards Committee’s authority to waive provisions of the Standard Processes Manual and limits the circumstances under which the Standards Committee can take such actions. In addition, Section 16.0 states that the waiver provision cannot be used to modify the requirements for achieving quorum or the voting requirements for approval of a standard.</p> | | |
| Duke Energy | No | <p>The circumstances listed in Section 16 for invoking the waiver provision do not constitute reliability needs. The provisions that can be waived should be more limited and the circumstances for which they can be waived should be based on clearly articulated reliability needs. The industry expertise of the Members Representative Committee (MRC) should be used to evaluate the provisions being waived and the circumstances they are being waived in.</p> |
| <p>Response: Thank you for your comments.</p> <p>NERC, the Regional Entities and industry stakeholders have a significant mutual investment in developing a sustainable Reliability Standards program that will maintain the reliability of the bulk power system in North America. The success of the unique Electric Reliability Organization (ERO) model requires NERC to develop and maintain a body of high-quality, effective Reliability Standards. The current trajectory is unsustainable and, without considering significant course correction, the ERO and industry finds itself nearing a critical juncture where alternate methods to accomplish the development of mandatory Reliability Standards has become necessary. NERC is at risk of losing the confidence of U.S. regulatory authorities and industry executives in its ability to produce standards in a timely and efficient manner.</p> | | |

| Organization | Yes or No | Question 6 Comment |
|-------------------------|-----------|---|
| | | <p>Respectfully, we suggest that in order for the ERO model to be successful, NERC must have the ability to meet regulatory deadlines. Pursuant to section 215(d)(5) of the FPA, the Commission may direct the ERO to submit to the Commission a new or modified Reliability Standard that addresses a specific matter if the Commission considers such a new or modified Standard appropriate to carry out section 215. As the ERO, NERC must be able to comply with a Commission directive pursuant to section 215(d)(5) of the FPA.</p> <p>The need for the ability to address urgent reliability issues has been reflected in FERC’s orders certifying NERC as the ERO. See for example P 253 of <i>North American Electric Reliability Corp.</i>, 116 FERC ¶ 61,062 (2006) “in rare instances, the urgent action process may not be sufficiently expedited, such as if necessary to address an imminent threat to national security. We require NERC to address whether the urgent action process, or some other process, can accommodate any such rare circumstances. “</p> <p>There is a direct relationship between reliability of the grid and the need for the ability to take action on Reliability Standards in a timely manner.</p> <p>In response to stakeholders concerns regarding transparency, openness and due process protections, we have incorporated the concept of a notice period for stakeholders prior to consideration of a waiver request by the Standards Committee and clarified how notice to stakeholders will be provided when the waiver provision is exercised. We have also incorporated a provision for the immediate reporting of waivers by the Standards Committee to the Standards Oversight & Technology Committee. Finally, we have added a footnote indicating that 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.</p> |
| American Electric Power | No | <p>Though AEP would not object outright to such a waiver process, our concerns would be in regards to what level of perceived urgency might drive such a waiver, as well as how often such a waiver might be invoked. Such a waiver should only be used for the most extreme and rare circumstances, and the circumstances as currently listed are not restrictive enough. For example, “where necessary to meet regulatory deadlines” is entirely subjective and could conceivably be used for almost any circumstance. Rather than being so open-ended, AEP recommends adding language stating that invoking such a waiver could *only* be done in response to circumstances involving a known and immediate impact to the reliability of the BES. In addition, and perhaps more importantly, it would appear that any such waiver process would be in direct violation of ANSI standards. NERC seems to acknowledge this at least in part by</p> |

| Organization | Yes or No | Question 6 Comment |
|---|-----------|--|
| | | <p>stating in the SPM that “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.” AEP is greatly concerned by any process which would circumvent ANSI for any reason, even for expediency’s sake, and seeks clarification on what ANSI accreditation implications there might for NERC as a result of the proposed process.</p> |
| <p>Response: Thank you for your comments. The waiver provision would not violate ANSI. The currently-effective Standard Process Manual already provides a process for the expedited development of Reliability Standards where necessary “to meet an urgent reliability issue such that there isn’t time to follow all the steps in the normal Reliability Standards development process.” The waiver provision replaces this section in its entirety.</p> <p>In the currently-effective Standard Process Manual, the section on Processes for Developing a Reliability Standard Related to a Confidential Issue states: “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 <u>shall not be filed with ANSI for approval as ANSI standards.</u>” (emphasis added). The concept that certain Reliability Standards will not be filed with ANSI is not a new one to the Standard Processes Manual nor does it jeopardize NERC’s accreditation.</p> <p>NERC, the Regional Entities and industry stakeholders have a significant mutual investment in developing a sustainable Reliability Standards program that will maintain the reliability of the bulk power system in North America. The success of the unique Electric Reliability Organization (ERO) model requires NERC to develop and maintain a body of high-quality, effective Reliability Standards. The current trajectory is unsustainable and, without considering significant course correction, the ERO and industry finds itself nearing a critical juncture where alternate methods to accomplish the development of mandatory Reliability Standards has become necessary. NERC is at risk of losing the confidence of U.S. regulatory authorities and industry executives in its ability to produce standards in a timely and efficient manner.</p> <p>Section 16.0 is intended to provide clarity to the Standards Committee’s authority to waive provisions of the Standard Processes Manual and limits the circumstances under which the Standards Committee can take such actions. Section 16.0 states that the waiver provision cannot be used to modify the requirements for achieving quorum or the voting requirements for approval of a standard. NERC is firmly committed to the consensus-based stakeholder standards development process that is set out in NERC’s Rules of Procedure.</p> | | |

| Organization | Yes or No | Question 6 Comment |
|--|-----------|--|
| The United Illuminating Company | No | <p>: UI does not believe the propose waiver process will function. Without ballot body support to waive the ANSI process any attempt to utilize the waiver process will result in a negative vote. The proposed process will not expedite a standard but delay it.The proposed process informs the BOT at the time a standard is submitted for BOT approval that it was developed via a Waiver process which can lead to the inefficiency of the BOT remanding the Standard to go through the ANSI process. This would be more inefficient then just going with the ANSI process. UI proposes the inclusion of a 15 day ballot where the SC provides notice a Standard will be drafted with a waiver on certain sections of the ANSI process. The Ballot body could then approve the waiver and development could proceed.</p> |
| <p>Response: Thank you for your comments. NERC, the Regional Entities and industry stakeholders have a significant mutual investment in developing a sustainable Reliability Standards program that will maintain the reliability of the bulk power system in North America. The success of the unique Electric Reliability Organization (ERO) model requires NERC to develop and maintain a body of high-quality, effective Reliability Standards. The current trajectory is unsustainable and, without considering significant course correction, the ERO and industry finds itself nearing a critical juncture where alternate methods to accomplish the development of mandatory Reliability Standards has become necessary. NERC is at risk of losing the confidence of U.S. regulatory authorities and industry executives in its ability to produce standards in a timely and efficient manner.</p> <p>Adding an additional ballot period to the standard development process in order to utilize a waiver as proposed would defeat the very purpose of the waiver provision, which is to add flexibility to the process. In response to stakeholders concerns regarding transparency, openness and due process protections, we have incorporated the concept of a notice period for stakeholders prior to consideration of a waiver request by the Standards Committee and clarified how notice to stakeholders will be provided when the waiver provision is exercised. We have also incorporated a provision for the immediate reporting of waivers by the Standards Committee to the Standards Oversight & Technology Committee. Finally, we have added a footnote indicating that 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.</p> <p>Section 16.0 is intended to provide clarity to the Standards Committee’s authority to waive provisions of the Standard Processes Manual and limits the circumstances under which the Standards Committee can take such actions. Section 16.0 states that the waiver provision cannot be used to modify the requirements for achieving quorum or the voting requirements for approval of a</p> | | |

| Organization | Yes or No | Question 6 Comment |
|---|-----------|---|
| <p>standard. NERC is firmly committed to the consensus-based stakeholder standards development process that is set out in NERC’s Rules of Procedure.</p> <p>The waiver provision would not violate ANSI. The currently-effective Standard Process Manual already provides a process for the expedited development of Reliability Standards where necessary “to meet an urgent reliability issue such that there isn’t time to follow all the steps in the normal Reliability Standards development process.” The waiver provision replaces this section in its entirety.</p> <p>In the currently-effective Standard Process Manual, the section on Processes for Developing a Reliability Standard Related to a Confidential Issue states: “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 <u>shall not be filed with ANSI for approval as ANSI standards.</u>” (emphasis added). The concept that certain Reliability Standards will not be filed with ANSI is not a new one to the Standard Processes Manual nor does it jeopardize NERC’s accreditation.</p> | | |
| Occidental Energy Ventures Corp | No | <p>The issue is not whether the SC applies the wavier - its whether NERC and FERC can dispense with industry-acceptance when they believe the need is urgent. OEVC understands that they may have the legal authority to do so (as defined in the FPA), but does not agree that this allows the ENTIRE process to be ANSI accredited. The ANSI process is intended to demonstrate sincere cooperative efforts between organizations that have different goals - and result in a body of standards which is accepted by all stakeholders. Simply declaring that one group is ANSI certified while the other group is not, is not acceptable to OEVC. Therefore, OEVC cannot support this recommendation.</p> |
| <p>Response: Thank you for your comment. The waiver provision does not allow the Standards Committee to dispense with industry-acceptance and in fact expressly forbids this. Section 16.0 states that the waiver provision cannot be used to modify the requirements for achieving quorum or the voting requirements for approval of a standard. Section 16.0 is intended to provide clarity to the Standards Committee’s authority to waive provisions of the Standard Processes Manual and limits the circumstances under which the Standards Committee can take such actions. NERC is firmly committed to the consensus-based stakeholder standards development process that is set out in NERC’s Rules of Procedure.</p> <p>The waiver provision would not violate ANSI. The currently-effective Standard Process Manual already provides a process for the</p> | | |

| Organization | Yes or No | Question 6 Comment |
|--------------|-----------|---|
| | | <p>expedited development of Reliability Standards where necessary “to meet an urgent reliability issue such that there isn’t time to follow all the steps in the normal Reliability Standards development process.” The waiver provision replaces this section in its entirety.</p> <p>In response to stakeholders concerns regarding transparency, openness and due process protections, we have incorporated the concept of a notice period for stakeholders prior to consideration of a waiver request by the Standards Committee and clarified how notice to stakeholders will be provided when the waiver provision is exercised. We have also incorporated a provision for the immediate reporting of waivers by the Standards Committee to the Standards Oversight & Technology Committee. Finally, we have added a footnote indicating that 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.</p> <p>In the currently-effective Standard Process Manual, the section on Processes for Developing a Reliability Standard Related to a Confidential Issue states: “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 <u>shall not be filed with ANSI for approval as ANSI standards.</u>” (emphasis added). The concept that certain Reliability Standards will not be filed with ANSI is not a new one to the Standard Processes Manual nor does it jeopardize NERC’s accreditation.</p> |
| NIPSCO | No | There appears to be concern in the industry regarding this waiver section 16. |
| | | <p>Response: Thank you for your comment.</p> <p>NERC, the Regional Entities and industry stakeholders have a significant mutual investment in developing a sustainable Reliability Standards program that will maintain the reliability of the bulk power system in North America. The success of the unique Electric Reliability Organization (ERO) model requires NERC to develop and maintain a body of high-quality, effective Reliability Standards. The current trajectory is unsustainable and, without considering significant course correction, the ERO and industry finds itself nearing a critical juncture where alternate methods to accomplish the development of mandatory Reliability Standards has become necessary. NERC is at risk of losing the confidence of U.S. regulatory authorities and industry executives in its ability to produce standards in a timely and efficient manner.</p> <p>The waiver provision is intended as a tool to allow the Standards Committee to manage the standards development process. The Standards Committee is tasked with protecting the “credibility and integrity of the standards development process.” See Standards Committee Charter, available here: http://www.nerc.com/files/SC Charter clean for BOT approval 20110417.pdf.</p> |

| Organization | Yes or No | Question 6 Comment |
|--|-----------|--|
| <p>In response to stakeholders concerns regarding transparency, openness and due process protections, we have incorporated the concept of a notice period for stakeholders prior to consideration of a waiver request by the Standards Committee and clarified how notice to stakeholders will be provided when the waiver provision is exercised. We have also incorporated a provision for the immediate reporting of waivers by the Standards Committee to the Standards Oversight & Technology Committee. Finally, we have added a footnote indicating that 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.</p> | | |
| <p>Manitoba Hydro</p> | <p>No</p> | <p>Section 16.0 proposes to allow NERC’s Standards Committee to “waive” any provisions in the manual for good cause shown under certain circumstances: (1. to meet NERC BOT deadlines; 2. to meet regulatory deadlines; 3. for “insubstantial” modifications to standards). Our first concern is that the concept of a “waiver” is inappropriate in this context. In legal terms, a party can only waive its own rights, not its obligations or the rights of others. The NERC membership, not the Standards Committee, has the right to insist that all standards be developed in accordance with the NERC Rules of Procedure (as part of the membership agreement), including the SPM which forms part of the ROP. Accordingly, only the NERC membership as a whole can waive this right. The Standards Committee cannot “waive” its obligation to follow the SPM. Furthermore, the Standards Development Process is a core principle of NERC that ensures that industry has sufficient input into the development of a standard. This core principle served as the primary foundation for various Canadian Governmental Authorities granting authority to NERC. Eliminating or shortening comment periods through a generic waiver provision can significantly erode industry involvement, especially considering the volume of standards development projects which compete for attention. This can cause Canadian Governmental Authorities to reconsider NERC’s authority in the various provinces. In Manitoba, only NERC Rules of Procedure that are incorporated into regulation will be effective in Manitoba. It is to be noted that the provisions of Section 321 of the NERC ROP governing responding to regulatory directives also attempted to make deviations from the standards development process and was intensely debated by industry, including the Canadian Electricity Association. The proposed waiver criterion regarding “meeting NERC BOT deadlines” allows considerable discretion to the board which could trigger the waiver</p> |

| Organization | Yes or No | Question 6 Comment |
|--|-----------|---|
| | | provisions, and provides too much uncertainty. |
| <p>Response: Thank you for your comments.</p> <p>If the waiver provision is incorporated into the Standard Processes Manual then the exercise of the waiver provision would be consistent with the Standard Processes Manual, therefore, there would be no applicable waiver of any party’s rights or obligations.</p> <p>NERC, the Regional Entities and industry stakeholders have a significant mutual investment in developing a sustainable Reliability Standards program that will maintain the reliability of the bulk power system in North America. The success of the unique Electric Reliability Organization (ERO) model requires NERC to develop and maintain a body of high-quality, effective Reliability Standards. The current trajectory is unsustainable and, without considering significant course correction, the ERO and industry finds itself nearing a critical juncture where alternate methods to accomplish the development of mandatory Reliability Standards has become necessary. NERC is at risk of losing the confidence of U.S. and Canadian regulatory authorities and industry executives in its ability to produce standards in a timely and efficient manner.</p> <p>The waiver provision is intended as a tool to allow the Standards Committee to manage the standards development process. The Standards Committee is tasked with protecting the “credibility and integrity of the standards development process.” See Standards Committee Charter, available here: http://www.nerc.com/files/SC Charter clean for BOT approval 20110417.pdf.</p> <p>In response to stakeholders concerns regarding transparency, openness and due process protections, we have incorporated the concept of a notice period for stakeholders prior to consideration of a waiver request by the Standards Committee and clarified how notice to stakeholders will be provided when the waiver provision is exercised. We have also incorporated a provision for the immediate reporting of waivers by the Standards Committee to the Standards Oversight & Technology Committee. Finally, we have added a footnote indicating that 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.</p> | | |
| CenterPoint Energy Houston Electric L.L.C. | No | CenterPoint Energy does not believe such a waiver is necessary. The circumstances listed do not rise to this level of urgency. FERC and the NERC BOT are well aware of the minimum time needed to develop and ballot a new or revised Standard. The Company does not believe there are actual reliability issues that would be so critical as to require such an expedited process. If one did arise, there are other means available to address such a concern such as the NERC Alert process. |

| Organization | Yes or No | Question 6 Comment |
|--------------|-----------|--|
| | | <p>Response: Thank you for your comments. Beginning in Order No. 672 (at P 269), the Commission has expressed concern regarding the amount of time it takes to develop an ANSI standard. “We are concerned about the time it may take to develop a Reliability Standard under the ANSI-certified process. The ERO applicant should address in its application the timetable for developing a proposed Reliability Standard under an ANSI-certified or other process, including the timetable for developing a proposed Reliability Standard that is urgently needed. Moreover, the ERO applicant should also propose a process for modifying or replacing a Reliability Standard (even if interim in nature) in the event that the Commission orders the ERO to modify a Reliability Standard.”</p> <p>The Commission has continuously directed NERC to modify its Standard Development Process to ensure that the ERO is able to respond to urgent reliability issues. See for example P 253 of <i>North American Electric Reliability Corp.</i>, 116 FERC ¶ 61,062 (2006) “in rare instances, the urgent action process may not be sufficiently expedited, such as if necessary to address an imminent threat to national security. We require NERC to address whether the urgent action process, or some other process, can accommodate any such rare circumstances. “</p> <p>There is a direct relationship between reliability of the grid and the need for the ability to take action on Reliability Standards in a timely manner.</p> |
| Ameren | No | <p>The waiver provision is not necessary because the NERC Rules of Procedure already has a process for this scenario. (2) It seems to us that the revision now have the BOT and stakeholders' involvement at the end of the process rather than at the beginning. We believe that the approval for the use of the waiver process for a specific reason should get necessary approval (buy-in) from stakeholders and BOT before SC starts using the process to revise or develop a new standard. (3) Has the SDT confirmed that the waiver proposal would be within the ANSI process?</p> |
| | | <p>Response: Thank you for your comments.</p> <p>The waiver provision would not violate ANSI. The currently-effective Standard Process Manual already provides a process for the expedited development of Reliability Standards where necessary “to meet an urgent reliability issue such that there isn’t time to follow all the steps in the normal Reliability Standards development process.” The waiver provision replaces this section in its entirety.</p> <p>In the currently-effective Standard Process Manual, the section on Processes for Developing a Reliability Standard Related to a</p> |

| Organization | Yes or No | Question 6 Comment |
|-----------------|-----------|--|
| | | <p>Confidential Issue states: “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 <u>shall not be filed with ANSI for approval as ANSI standards.</u>” (emphasis added). The concept that certain Reliability Standards will not be filed with ANSI is not a new one to the Standard Processes Manual nor does it jeopardize NERC’s accreditation.</p> <p>In response to stakeholders concerns regarding transparency, openness and due process protections, we have incorporated the concept of a notice period for stakeholders prior to consideration of a waiver request by the Standards Committee and clarified how notice to stakeholders will be provided when the waiver provision is exercised. We have also incorporated a provision for the immediate reporting of waivers by the Standards Committee to the Standards Oversight & Technology Committee. Finally, we have added a footnote indicating that 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.</p> |
| Tri-State G & T | No | <p>The use of a waiver will result in a violation of the NERC’s ANSI approved standards development process and eliminates the full participation of the industry in standard development. The expedited standards development process should be revised to address the concerns, or alternative methods should be considered such that the industry is still allowed to participate in the standard development process and expedited requirements, when needed.</p> |
| | | <p>Response: Thank you for your comment. The waiver provision would not violate ANSI. As you note, the currently-effective Standard Process Manual already provides a process for the expedited development of Reliability Standards where necessary “to meet an urgent reliability issue such that there isn’t time to follow all the steps in the normal Reliability Standards development process.” The waiver provision replaces this section in its entirety. The need for the ability to address urgent reliability issues has been reflected in FERC’s orders certifying NERC as the ERO. See for example P 253 of <i>North American Electric Reliability Corp.</i>, 116 FERC ¶ 61,062 (2006) “in rare instances, the urgent action process may not be sufficiently expedited, such as if necessary to address an imminent threat to national security. We require NERC to address whether the urgent action process, or some other process, can accommodate any such rare circumstances. “</p> <p>In the currently-effective Standard Process Manual, the section on Processes for Developing a Reliability Standard Related to a Confidential Issue states: “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</p> |

| Organization | Yes or No | Question 6 Comment |
|--|-----------|--|
| <p>of the following processes shall be called, “special Reliability Standards” and <u>shall not be filed with ANSI for approval as ANSI standards.</u>” (emphasis added). The concept that certain Reliability Standards will not be filed with ANSI is not a new one to the Standard Processes Manual nor does it jeopardize NERC’s accreditation.</p> <p>Section 16.0 is intended to provide clarity to the Standards Committee’s authority to waive provisions of the Standard Processes Manual and limits the circumstances under which the Standards Committee can take such actions. In addition, Section 16.0 states that the waiver provision cannot be used to modify the requirements for achieving quorum or the voting requirements for approval of a standard. NERC is firmly committed to the consensus-based stakeholder standards development process that is set out in NERC’s Rules of Procedure.</p> | | |
| Oklahoma Gas & Electric | No | <p>We do not support Section 16.0 which provides a waiver to allow for a revision of a Standard, definition, Variance, or implementation plan to meet an urgent reliability issue. The circumstances in which this waiver would be allowed are outlined as (1) meet regulatory deadlines, (2) meet deadlines imposed by the NERC BOT, or (3) SC determine the modification has already been vetted. These circumstances do not seem to meet the initial statement of "to meet an urgent reliability issue". We do not consider regulatory deadlines to be urgent reliability issues.</p> |
| <p>Response: Thank you for your comments. Respectfully, we suggest that in order for the ERO model to be successful, NERC must have the ability to meet regulatory deadlines.</p> <p>Pursuant to section 215(d)(5) of the FPA, the Commission may direct the ERO to submit to the Commission a new or modified Reliability Standard that addresses a specific matter if the Commission considers such a new or modified Standard appropriate to carry out section 215. As the ERO, NERC must be able to comply with a Commission directive pursuant to section 215(d)(5) of the FPA. The Commission has expressed concern that the standard development process can be misused to “delay or block NERC’s ability to report to a Commission directive” <i>See North American Electric Reliability Corp., 130 FERC ¶ 61,203 at P 23 (2010).</i></p> <p>Section 16.0 is intended to provide clarity to the Standards Committee’s authority to waive provisions of the Standard Processes Manual and limits the circumstances under which the Standards Committee can take such actions. In addition, Section 16.0 states that the waiver provision cannot be used to modify the requirements for achieving quorum or the voting requirements for approval of a standard. NERC is firmly committed to the consensus-based stakeholder standards development process that is set out in NERC’s Rules of Procedure.</p> | | |

| Organization | Yes or No | Question 6 Comment |
|--|-----------|--|
| Independent Electricity System Operator | No | <p>We do support the addition of the Waiver section, recognizing that this particular section proposes a provision to cover only urgent reliability standard revisions, and not emergency situations requiring immediate action. We believe clear distinction and separation, possibly supported by separate processes, should be made between an urgent situation requiring an urgent standard development and an emergency situation requiring an immediate action. An emergency reliability standard revision procedural step would give the NERC Board the authority to act on its own motion to address an issue on an interim basis immediately, with a follow-on process to then review and address the issue on a more regular timetable. However, all standard /definition/variance/implementation plans approved under such a fast track process must be subjected to peer review and balloting for it to become an enduring part of the NERC standards/definitions/etc.</p> |
| <p>Response: Thank you for your comments. NERC, the Regional Entities and industry stakeholders have a significant mutual investment in developing a sustainable Reliability Standards program that will maintain the reliability of the bulk power system in North America. The success of the unique Electric Reliability Organization (ERO) model requires NERC to develop and maintain a body of high-quality, effective Reliability Standards. The current trajectory is unsustainable and, without considering significant course correction, the ERO and industry finds itself nearing a critical juncture where alternate methods to accomplish the development of mandatory Reliability Standards has become necessary. NERC is at risk of losing the confidence of U.S. and Canadian regulatory authorities and industry executives in its ability to produce standards in a timely and efficient manner.</p> <p>The currently-effective Standard Process Manual provides a process for the expedited development of Reliability Standards where necessary “to meet an urgent reliability issue such that there isn’t time to follow all the steps in the normal Reliability Standards development process.” The waiver provision replaces this section in its entirety. The need for the ability to address urgent reliability issues has been reflected in FERC’s orders certifying NERC as the ERO. See for example P 253 of <i>North American Electric Reliability Corp.</i>, 116 FERC ¶ 61,062 (2006) “in rare instances, the urgent action process may not be sufficiently expedited, such as if necessary to address an imminent threat to national security. We require NERC to address whether the urgent action process, or some other process, can accommodate any such rare circumstances. “</p> <p>There is a direct relationship between reliability of the grid and the need for the ability to take action on Reliability Standards in a timely manner.</p> | | |

| Organization | Yes or No | Question 6 Comment |
|--|-----------|--|
| South Carolina Electric and Gas | No | <p>The current expedited standards development process should be retained. The use of waivers is not consistent with the ANSI process and should be rejected. The use of a waiver will result is a violation of the NERC’s American National Standards Institute (ANSI)-approved standards development process. Reporting the use of a waiver prior to the Board of Trustees (BOT) adopting a standard is unacceptable. The exercise of the waiver and BOT approval may be separated by years of work by the both the Standards Committee (SC) and the standards drafting team (SDT). Each exercise of an SC waiver should have BOT finality so that the BOT will not be pressured to approve any waiver, regardless of the facts, in order to not reject the substantial body of work that has followed the exercise of the waiver by the SC. At a minimum, waivers to the SPM should be preceded by the following: a. The posting of an SC document to the RBB that describes the reason for the requested waiver, including the threat to reliability, and what processes would be affected by the waiver. b. A short (10 day) period for accepting RBB comments. c. After comments are received, the SC may either withdraw the waiver or request its expedited approval by the NERC board, ensuring that the board is supplied with the comments received. This entire process proposed above could be completed within 30-45 days, causing a minor delay for the hopefully rare exercise by the SC of waiving an SPM provision. The present SPM has an “expedited standards development process” that was stricken. However, the ROP section 300 (Reliability Standards Development) requires that process. The SPM should retain that; without it in the SPM, NERC cannot respond to a request from a governmental authority for expedited development of a standard. The SPM therefore needs to retain that procedure, unless the SPM procedure is waived, which is the next topic. If this provision were reinstated, the use of a waiver process would be minimized since the expedited process would be a provision of the SPM.</p> |
| <p>Response: Thank you for your comments. The waiver provision would not violate ANSI. As you note, the currently-effective Standard Process Manual already provides a process for the expedited development of Reliability Standards where necessary “to meet an urgent reliability issue such that there isn’t time to follow all the steps in the normal Reliability Standards development process.” The waiver provision replaces this section in its entirety. The need for the ability to address urgent reliability issues has</p> | | |

| Organization | Yes or No | Question 6 Comment |
|--------------|-----------|---|
| | | <p>been reflected in FERC’s orders certifying NERC as the ERO. See for example P 253 of <i>North American Electric Reliability Corp.</i>, 116 FERC ¶ 61,062 (2006) “in rare instances, the urgent action process may not be sufficiently expedited, such as if necessary to address an imminent threat to national security. We require NERC to address whether the urgent action process, or some other process, can accommodate any such rare circumstances. “</p> <p>In the currently-effective Standard Process Manual, the section on Processes for Developing a Reliability Standard Related to a Confidential Issue states: “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 <u>shall not be filed with ANSI for approval as ANSI standards.</u>” (emphasis added). The concept that certain Reliability Standards will not be filed with ANSI is not a new one to the Standard Processes Manual nor does it jeopardize NERC’s accreditation.</p> <p>A Standard developed using the Expedited Reliability Standard Development Process is approved only on a conditional basis and it must <i>again</i> go through the standard development process in order to be made permanent. The Expedited Reliability Standard Development Process provides:</p> <p>If a new or modified Reliability Standard is developed, approved by its ballot pool, and subsequently adopted by the NERC Board of Trustees through this expedited process, one of the following three actions shall occur [fn27]:</p> <ul style="list-style-type: none"> • If the Reliability Standard is to be made permanent without additional substantive changes, then a SAR and a proposed Reliability Standard shall be submitted to the Reliability Standards staff immediately after the ballot. The project shall be added to the list of approved projects and shall proceed through the regular standard development process, including balloting by stakeholders, without any intentional delay. • If the Reliability Standard is to be substantively revised or replaced by a new Reliability Standard, then a project for the new or revised Reliability Standard shall be added to the list of projects to be added to the Reliability Standard Development Plan. The project shall be initiated as soon as practical after the ballot and the project shall proceed through the regular Reliability Standard development process, including balloting by stakeholders, as soon as practical but within two years of the date the Reliability Standard was approved by stakeholders using the expedited process. • The Reliability Standard shall be withdrawn through a ballot of the stakeholders within two years of the date the Reliability Standard was approved by stakeholders using the expedited process. <p>Rather than repeating the standard development process, Section 16.0 would allow a Reliability Standard to become “permanent”</p> |

| Organization | Yes or No | Question 6 Comment |
|--|-----------|--|
| <p>upon stakeholder approval.</p> <p>In response to stakeholders concerns regarding transparency, openness and due process protections, we have incorporated the concept of a notice period for stakeholders prior to consideration of a waiver request by the Standards Committee and clarified how notice to stakeholders will be provided when the waiver provision is exercised. We have also incorporated a provision for the immediate reporting of waivers by the Standards Committee to the Standards Oversight & Technology Committee. Finally, we have added a footnote indicating that 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.</p> | | |
| SCE&G | No | <p>The current expedited standards development process should be retained. The use of waivers is not consistent with the ANSI process and should be rejected. The use of a waiver will result is a violation of the NERC’s American National Standards Institute (ANSI)-approved standards development process. Reporting the use of a waiver prior to the Board of Trustees (BOT) adopting a standard is unacceptable. The exercise of the waiver and BOT approval may be separated by years of work by the both the Standards Committee (SC) and the standards drafting team (SDT). Each exercise of an SC waiver should have BOT finality so that the BOT will not be pressured to approve any waiver, regardless of the facts, in order to not reject the substantial body of work that has followed the exercise of the waiver by the SC. At a minimum, waivers to the SPM should be preceded by the following: a. The posting of an SC document to the RBB that describes the reason for the requested waiver, including the threat to reliability, and what processes would be affected by the waiver. b. A short (10 day) period for accepting RBB comments. c. After comments are received, the SC may either withdraw the waiver or request its expedited approval by the NERC board, ensuring that the board is supplied with the comments received. This entire process proposed above could be completed within 30-45 days, causing a minor delay for the hopefully rare exercise by the SC of waiving an SPM provision.3) The present SPM has an “expedited standards development process” that was stricken. However, the ROP section 300 (Reliability Standards Development) requires that process. The SPM should retain that; without it in the SPM, NERC cannot respond to a request from a governmental authority for expedited development of a standard. The SPM therefore</p> |

| Organization | Yes or No | Question 6 Comment |
|---|-----------|--|
| | | <p>needs to retain that procedure, unless the SPM procedure is waived, which is the next topic. If this provision were reinstated, the use of a waiver process would be minimized since the expedited process would be a provision of the SPM.</p> |
| <p>Response: Thank you for your comments. The waiver provision would not violate ANSI. As you note, the currently-effective Standard Process Manual already provides a process for the expedited development of Reliability Standards where necessary “to meet an urgent reliability issue such that there isn’t time to follow all the steps in the normal Reliability Standards development process.” The waiver provision replaces this section in its entirety. The need for the ability to address urgent reliability issues has been reflected in FERC’s orders certifying NERC as the ERO. See for example P 253 of <i>North American Electric Reliability Corp.</i>, 116 FERC ¶ 61,062 (2006) “in rare instances, the urgent action process may not be sufficiently expedited, such as if necessary to address an imminent threat to national security. We require NERC to address whether the urgent action process, or some other process, can accommodate any such rare circumstances. “</p> <p>In the currently-effective Standard Process Manual, the section on Processes for Developing a Reliability Standard Related to a Confidential Issue states: “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 <u>shall not be filed with ANSI for approval as ANSI standards.</u>” (emphasis added). The concept that certain Reliability Standards will not be filed with ANSI is not a new one to the Standard Processes Manual nor does it jeopardize NERC’s accreditation.</p> <p>A Standard developed using the Expedited Reliability Standard Development Process is approved only on a conditional basis and it must <i>again</i> go through the standard development process in order to be made permanent. The Expedited Reliability Standard Development Process provides:</p> <p>If a new or modified Reliability Standard is developed, approved by its ballot pool, and subsequently adopted by the NERC Board of Trustees through this expedited process, one of the following three actions shall occur [fn27]:</p> <ul style="list-style-type: none"> • If the Reliability Standard is to be made permanent without additional substantive changes, then a SAR and a proposed Reliability Standard shall be submitted to the Reliability Standards staff immediately after the ballot. The project shall be added to the list of approved projects and shall proceed through the regular standard development process, including balloting by stakeholders, without any intentional delay. • If the Reliability Standard is to be substantively revised or replaced by a new Reliability Standard, then a project for the new or revised Reliability Standard shall be added to the list of projects to be added to the Reliability Standard Development Plan. The | | |

| Organization | Yes or No | Question 6 Comment |
|---|-----------|--|
| <p>project shall be initiated as soon as practical after the ballot and the project shall proceed through the regular Reliability Standard development process, including balloting by stakeholders, as soon as practical but within two years of the date the Reliability Standard was approved by stakeholders using the expedited process.</p> <ul style="list-style-type: none"> • The Reliability Standard shall be withdrawn through a ballot of the stakeholders within two years of the date the Reliability Standard was approved by stakeholders using the expedited process. <p>Rather than repeating the standard development process, Section 16.0 would allow a Reliability Standard to become “permanent” upon stakeholder approval.</p> <p>In response to stakeholders concerns regarding transparency, openness and due process protections, we have incorporated the concept of a notice period for stakeholders prior to consideration of a waiver request by the Standards Committee and clarified how notice to stakeholders will be provided when the waiver provision is exercised. We have also incorporated a provision for the immediate reporting of waivers by the Standards Committee to the Standards Oversight & Technology Committee. Finally, we have added a footnote indicating that 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.</p> | | |
| Trans Bay Cable LLC | No | There is not enough checks and balances in the current proposed changes to ensure that the SC will not abuse this ability. |
| <p>Response: Thank you for your comments. The Standards Committee is tasked with protecting the “credibility and integrity of the standards development process.” See Standards Committee Charter, available here: http://www.nerc.com/files/SC Charter clean for BOT approval 20110417.pdf.</p> <p>As an additional check on the authority of the Standards Committee, a provision has been added to report the use of the waiver provision to the Standards Oversight and Technology Committee.</p> | | |
| HHWP | No | I agree with the comments and the alternative waiver proposal made by PSEG. |
| <p>Response: Thank you for your comments. Please see response to comments of PSEG.</p> | | |
| Tacoma Power | No | Tacoma Power cannot support the addition of the waiver provision in Section 16.0 with the additional clarification. Tacoma Power believes the waiver provisions of |

| Organization | Yes or No | Question 6 Comment |
|--|-----------|---|
| | | <p>Section 16.0 are overly broad and opaque. Section 16.0 provides the Standards Committee an option to bypass the standard development process. Tacoma Power is concerned that the waiver provision would be too easy to resort to under pressure from various deadlines. Such a waiver option should be, at minimum, mitigated with counteracting safeguards and procedural steps and only available in situations recognized as necessary to prevent an imminent threat to reliability to guard against potential misuse. The comment form’s explanation implies that the BOT review will provide an overview and gate-keeping safeguard to waivers. However, Section 16.0 only states that the SC will report the exercise of the waiver provision to the BOT prior to adoption. What the BOT’s review process will be, the considerations it will use, and what detail is required in the report to the BOT is not specified. At minimum, Tacoma Power believes there should be a more formal process established for waiver approval (such as by the BOT). A public posting for a short period could be required to receive comments before waiver. The posting could describe the reason and identify the specific processes that will be changed by the waiver. Therefore, Tacoma Power believes Section 16.0 should be removed until an open and sufficient waiver process can be developed.</p> |
| <p>Response: Thank you for your comments. In response to stakeholders concerns regarding transparency, openness and due process protections, we have incorporated the concept of a notice period for stakeholders prior to consideration of a waiver request by the Standards Committee and clarified how notice to stakeholders will be provided when the waiver provision is exercised. We have also incorporated a provision for the immediate reporting of waivers by the Standards Committee to the Standards Oversight & Technology Committee. Finally, we have added a footnote indicating that 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.</p> | | |
| Oncor Electric Delivery | No | <p>Oncor is not in agreement with proposed Waiver as prescribed in Section 16. The current Rule of Procedure (Section 309.3) requires an “expedited standards development process” for the Standard Process Manual. The proposed changes to the SPM strike this provision (Section 9, 10 - Redline Version). Without this provision, NERC cannot respond to a request from a governmental authority for expedited</p> |

| Organization | Yes or No | Question 6 Comment |
|--|-----------|---|
| | | <p>development of a standard. Furthermore, the proposed Waiver has no appeals process, thus granting the Standards Committee the power to authorize change to NERC Reliability Standards – unchecked. Oncor takes the position that the existing “expedited standards development process” for the Standard Process Manual is adequate and sufficient and that the proposed Waiver as prescribed in section 16.0 be removed</p> |
| <p>Response: Thank you for your comments. As you note, Section 16.0 is very similar to the currently –effective Standard Processes Manual section of the Expedited Reliability Standard Development Process. However, a Standard developed using the Expedited Reliability Standard Development Process is approved only on a conditional basis and it must <i>again</i> go through the standard development process in order to be made permanent. The Expedited Reliability Standard Development Process provides:</p> <p>If a new or modified Reliability Standard is developed, approved by its ballot pool, and subsequently adopted by the NERC Board of Trustees through this expedited process, one of the following three actions shall occur [fn27]:</p> <ul style="list-style-type: none"> • If the Reliability Standard is to be made permanent without additional substantive changes, then a SAR and a proposed Reliability Standard shall be submitted to the Reliability Standards staff immediately after the ballot. The project shall be added to the list of approved projects and shall proceed through the regular standard development process, including balloting by stakeholders, without any intentional delay. • If the Reliability Standard is to be substantively revised or replaced by a new Reliability Standard, then a project for the new or revised Reliability Standard shall be added to the list of projects to be added to the Reliability Standard Development Plan. The project shall be initiated as soon as practical after the ballot and the project shall proceed through the regular Reliability Standard development process, including balloting by stakeholders, as soon as practical but within two years of the date the Reliability Standard was approved by stakeholders using the expedited process. • The Reliability Standard shall be withdrawn through a ballot of the stakeholders within two years of the date the Reliability Standard was approved by stakeholders using the expedited process. <p>This is clearly redundant and a waste of resources for NERC, the industry and the drafting team. Rather than repeating the standard development process, Section 16.0 would allow a Reliability Standard to become “permanent” upon stakeholder approval.</p> <p>In response to stakeholders concerns regarding transparency, openness and due process protections, we have incorporated the</p> | | |

| Organization | Yes or No | Question 6 Comment |
|--|-----------|---|
| <p>concept of a notice period for stakeholders prior to consideration of a waiver request by the Standards Committee and clarified how notice to stakeholders will be provided when the waiver provision is exercised. We have also incorporated a provision for the immediate reporting of waivers by the Standards Committee to the Standards Oversight & Technology Committee. Finally, we have added a footnote indicating that 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.</p> | | |
| CPS Energy | No | |
| Kansas City Power & Light | No | |
| FirstEnergy | Yes | <p>FE supports the addition of Section 16.0, however, the phrase in the third bullet that begins with "or is so insubstantial" is confusing. Is this referring to an errata change only? Or is it referring to a 'rapid fix'? this should be more clearly defined.</p> |
| <p>Response: Thank you for your comments. The third bullet is intended to refer to circumstances where the process should be waived to provide flexibility. For example, a commenter may propose alternative language in a requirement that is superior to the drafting team’s proposal. An abbreviated comment period may be sufficient to reach consensus on this substantive change.</p> | | |
| JEA | Yes | <p>JEA is supporting the waiver provision with the understanding that the balloting, quorum and approval requirements in the manual cannot be waived. Further, JEA suggests the language related to the waiver be changed to more clearly reflect this. For example, the second paragraph of 16.0 could be changed to say “...may waive any of the provisions in this manual except the balloting and the quorum provisions...”</p> |
| <p>Response: Thank you for your comments and for your support. You are correct that approval still requires a 75% quorum, a two-thirds segment weighted supermajority approval, and responses to all comments raised, plus a final/recirculation ballot. Section 16.0 states that the waiver provision cannot be used to modify the requirements for achieving quorum or the voting requirements for approval of a standard. NERC is firmly committed to the consensus-based stakeholder standards development process that is set out in NERC’s Rules of Procedure.</p> | | |
| Bonneville Power | Yes | <p>BPA appreciates the opportunity to comment on the Standards Process Manual. BPA</p> |

| Organization | Yes or No | Question 6 Comment |
|--|-----------|--|
| Administration | | <p>would like to acknowledge the Standards Committee willingness to work with the industry on revising the Standards Process Manual (SPM) and appreciates that most of BPA’s previous comments have been addressed in the latest draft. While BPA is voting yes on the current SPM version, BPA strongly encourages the SC to consider modification of the current section 16 to address industry concerns. By modifying section 16 to address industry concerns BPA believes the gesture will increase industry confidence in the SC and will ease the transition of the implementation of the new SPM. Section 16 “Waiver” of the Standards Process Manual: BPA has concerns about Section 16, BPA understands the need to have the flexibility of a waiver. BPA is unaware of any specific examples for the need of such a broad waiver. BPA would like to recommend one of two options: 1. Revise the Waiver section to increase industry awareness and knowledge of the proposed waiver to include: a. A short posting (10 days) of the need for the waiver b. a short (10 days) opportunity for the industry to comment. If the majority of industry stakeholders express a concern, then the final decision should be evaluated to the BOT c. a single concise response from the SC on the decision to continue with the proposed waiver or to withdraw 2. Revising the current expedited process section to address current issues the SPIG, the NERC SC and NERC staff.</p> |
| <p>Response: Thank you for your comments and for your support. Modifications have been made to Section 16 to address industry concerns. Specifically, in response to stakeholders concerns regarding transparency, openness and due process protections, we have incorporated the concept of a notice period for stakeholders prior to consideration of a waiver request by the Standards Committee and clarified how notice to stakeholders will be provided when the waiver provision is exercised. We have also incorporated a provision for the immediate reporting of waivers by the Standards Committee to the Standards Oversight & Technology Committee. Finally, we have added a footnote indicating that 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.</p> <p>Revising the expedited process section of the Standard Processes Manual is ineffective because the Expedited Process requires that as soon as the standard is adopted by the Board NERC must either announce that the standard will expire after two years or repeat the entire standards process again to develop and approve the same standard or a modified standard. This is clearly redundant and a waste of resources for NERC, the industry and the drafting team.</p> | | |

| Organization | Yes or No | Question 6 Comment |
|------------------|-----------|--|
| Southern Company | Yes | <p>Southern Company raises the following concerns with deletion of the Expedited Standards Development Process and inclusion of a Waiver Provision: The proposed SPM revisions do not recognize a threshold distinction between ‘elimination of a provision’ and ‘modification of a provision.’ The currently effective SPM includes a provision for an expedited process which essentially gives the Standards Committee the authority to adjust (modify) the timeframes of certain steps within the regular standards development process. The proposed revisions (Section 16) allow the Standards Committee to waive (eliminate) any provision within the SPM for good cause shown and within certain limited circumstances. The waiver provision could be broadly interpreted to mean that the Standards Committee could not only shorten a timeframe within a step, but it could completely ignore any step or other action as a means to achieve certain objectives. As a threshold matter, the Standards Committee should restore the explicit provisions under the current expedited process. Where the Standards Committee seeks broader authority to address any other provision within the SPM, it should specify which provisions it would reasonably anticipate as requiring some type of modification and then codify how it would exercise its authority in that regard. The draft SPM expands the Standards Committee’s authority. Rules of Procedure Section 321, Special Rule to Address Certain Regulatory Directives, establish which actions the BOT may take to develop standards where the rule applies. The rule does not give explicit authority to the Standards Committee to waive or eliminate steps as explained in the draft waiver provision. For the most part, the rule establishes the BOT authority for certain circumstances and describes how the BOT can be assisted by the Standards Committee, NERC Staff, stakeholders and the public at large. The draft SPM waiver section describes how the Standards Committee shall report its use of the waiver provision to the BOT prior to adoption of a Reliability Standard, Interpretation, definition or Variance. This is a key aspect which demonstrates that procedures and controls are in place to ensure some level of transparency. However, it is not clear that the Standards Committee does not need or require explicit instruction from the BOT before proceeding with a waiver. The basis</p> |

| Organization | Yes or No | Question 6 Comment |
|--|-----------|--|
| | | <p>for this requirement may be rooted in whether or not the Standards Committee is deriving its waiver authority from rule 321. If the authority is rooted in rule 321, then according to the rule, at each instance where a ballot fails to address a regulatory directive and the BOT decides to exercise its authority, prior to remanding a proposed Reliability Standard to the Standards Committee with instructions, the BOT must either (1) be presented with a proposed Reliability Standard that fails to address a directive or (2) the BOT itself must make a written finding that a ballot pool has failed to address a directive. This suggests that at some point prior to the Standards Committee taking some action (i.e. an action described within the waiver provision) based on the BOT’s instructions, there must be some correspondence memorializing why the Standards Committee will take the action in the first instance. If the above argument holds, wouldn’t the Standards Committee be obliged to wait for explicit instructions from the BOT prior to invoking waiver provisions in those instances where rule 321 is being invoked? If the answer is yes then the waiver provision should clarify this obligation as a procedural matter.</p> |
| <p>Response: Thank you for your comments. In response to stakeholders concerns regarding transparency, openness and due process protections, we have incorporated the concept of a notice period for stakeholders prior to consideration of a waiver request by the Standards Committee and clarified how notice to stakeholders will be provided when the waiver provision is exercised. We have also incorporated a provision for the immediate reporting of waivers by the Standards Committee to the Standards Oversight & Technology Committee. Finally, we have added a footnote indicating that 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.</p> <p>The authority for the waiver provision is not rooted in Rule 321 of the NERC Rules of Procedure. Section 16.0 states that the waiver provision cannot be used to modify the requirements for achieving quorum or the voting requirements for approval of a standard. NERC is firmly committed to the consensus-based stakeholder standards development process that is set out in NERC’s Rules of Procedure.</p> <p>Revising the expedited process section of the Standard Processes Manual is ineffective because the Expedited Process requires that as soon as the standard is adopted by the Board NERC must either announce that the standard will expire after two years or repeat the entire standards process again to develop and approve the same standard or a modified standard. This is clearly</p> | | |

| Organization | Yes or No | Question 6 Comment |
|---|-----------|---|
| <p>redundant and a waste of resources for NERC, the industry and the drafting team.</p> <p>The waiver provision is intended as a tool to allow the Standards Committee to manage the standards development process. The Standards Committee is tasked with protecting the “credibility and integrity of the standards development process.” See Standards Committee Charter, available here: http://www.nerc.com/files/SC Charter clean for BOT approval 20110417.pdf.</p> <p>The record of the decision on the waiver request will be documented by NERC staff and maintained on the relevant project page on the NERC website.</p> | | |
| Liberty Electric Power LLC | Yes | <p>There are concerns with the inclusion of the "to meet a timeline set by the NERC BOT" as a waiver condition. The potential remains for the BOT to set deadlines without a compelling need (see COM-003).</p> |
| <p>Response: Thank you for your comments and for your support. The ERO must be able to meet the deadlines set by its Board of Trustees in order to be successful. NERC, the Regional Entities and industry stakeholders have a significant mutual investment in developing a sustainable Reliability Standards program that will maintain the reliability of the bulk power system in North America. The success of the unique Electric Reliability Organization (ERO) model requires NERC to develop and maintain a body of high-quality, effective Reliability Standards. The current trajectory is unsustainable and, without considering significant course correction, the ERO and industry finds itself nearing a critical juncture where alternate methods to accomplish the development of mandatory Reliability Standards has become necessary. NERC is at risk of losing the confidence of U.S. regulatory authorities and industry executives in its ability to produce standards in a timely and efficient manner.</p> <p>The ability of the ERO to meet deadlines established by the NERC Board of Trustees is essential and the waiver provision will allow the Standards Committee to meet its obligations to the NERC Board.</p> | | |
| American Public Power Association | Yes | <p>APPA submits the following comments in support of the proposed waiver provision and responding to comments by PSEG that object to proposed Section 16.0 Waiver and support retention of the existing Expedited Standard Development Process. For ease of reference, here are links to the two provisions that PSEG and I are referring to: Proposed Standard Processes Manual, Section 16.0 “Waiver,” at page 49: http://www.nerc.com/docs/standards/sar/Appendix_3A_StandardsProcessesManual_clean_2012_08_27.pdf Expedited Standard Development Process of the current Standard Processes Manual, at page 34:</p> |

| Organization | Yes or No | Question 6 Comment |
|--------------|-----------|--|
| | | <p>http://www.nerc.com/fileUploads/File/Appendix_3A_StandardsProcessesManual_20120131.pdfMy specific reasons for supporting for the Waiver Provision and my responses to PSEG’s concerns are set out below:First, the current “Expedited Standard Development Process” really isn’t a separate standards process at all. It’s just a waiver provision by another name with a prescriptive list of actions that can be taken. However, the Expedited Process has a poison pill: as soon as the standard is adopted by the Board through the “expedited” process, NERC must either announce that the standard will expire after two years or repeat the entire standards process again to develop and approve the same standard or a modified standard. This is clearly redundant and a waste of resources for NERC, the industry and the drafting team. I know of no standards project since the Urgent Action 1200 cyber project where a sunset provision was deemed appropriate.Second, the first two bases for the Standards Committee to approve a Waiver (where necessary to meet a regulatory deadline or a deadline imposed by the Board of Trustees) are fundamentally the same as under the current Expedited Process (specific time constraints such as a regulatory directive or to meet an urgent reliability issue). However, the current SPM is ambiguous on who decides whether the reliability issue is in fact urgent and how urgent it is. Is it NERC staff? The Standards Committee? The drafting team? This type of prioritization decision should in fact be authorized by the Board. But it is the Standards Committee’s responsibility to work with staff and the SDT to figure out how to meet such deadlines.Third, the other basis under which the SC is authorized to grant a waiver for any part of the SPM, in the absence of a regulatory or Board deadline, is limited only to where the proposed modification of the standard “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.” To approve a waiver, the Standards Committee will be required to make a judgment about whether a specific issue has been fully vetted or is so insubstantial that it is a waste of industry and NERC time and resources to follow all of the normal steps in the standards process. The need for this part of the waiver provision should be self-evident in the fact that the current SPM led</p> |

| Organization | Yes or No | Question 6 Comment |
|--------------|-----------|--|
| | | <p>to a substantial debate as to whether the SC was required to terminate work on the PRC-005-2 project and start over with a new SAR and drafting team after the ballot failed on a recirculation ballot in summer 2011. The SPM shouldn't drive NERC and the industry to do dumb things. Rather, we need to use the process to get to consensus in support of technically excellent standards. The SPM is a means to an end, not the end in and of itself. Fourth, any action by the SC to waive an element of the SPM will be done in public and will be fully noticed to the industry as a whole. The action will be taken by approval of a motion by the Standards Committee, not by NERC staff. The basis for the waiver will appear in the agenda package and minutes of the SC. Notice of the waiver will be included on the standard Project Page, the announcement of comment and ballot periods, as well as the development history of the project. There is no need to have a specific SPM text provision to require notice to take place. The NERC ROP already has an appeal procedure, so no entity need wait to appeal an SC waiver decision until it is presented to the Board at some later date. And if good cause for the waiver is not shown, the SC will be reversed by the Board. Fifth, PSEG recommends that the SPM be modified to require a public comment period on the SC's waiver decision and that the NERC Board approve the waiver before it goes into effect. This process not only adds a minimum of 45 days to the process and would likely entail scheduling of a special Board meeting to consider each waiver approved by the SC, more importantly it confuses roles and responsibilities. The registered ballot body elects the SC to represent the best interests of the industry and reliability. The SC also reports to and is responsible to the Board to accomplish duties set forth in its charter, which include working with NERC staff to manage the standards process. It makes no sense to require the Board to ratify process management decisions that have been delegated to the SC unless one or more entities disagree with the decision - and we have an appeals process for that purpose, to ensure timely due process. Sixth, even if the waiver provisions are utilized, I think the development history of the resulting standard is likely to comply with ANSI's fundamental tenets - but the SC can't guarantee that in advance, because it entails a waiver of the approved SPM. To date, NERC has not submitted any standards to ANSI for approval. Rather, NERC's practice</p> |

| Organization | Yes or No | Question 6 Comment |
|---|-----------|--|
| | | <p>has been to submit the SPM to ANSI to gain approval as an accredited standards development organization (SDO). ANSI does not require an SDO to use the accredited process for all of its standards work, but if and when we depart from the ANSI approved process we shouldn't submit such standards to ANSI for approval. Seventh, industry consensus is still fully required. The new waiver provision does not change the voting rules, so approval still requires a 75% quorum, a two-thirds segment weighted supermajority approval, and responses to all comments raised, plus a final/recirculation ballot. Just like today. The waiver provision merely allows the SC to meet external deadlines and to avoid wasting industry and NERC resources, which is front and center what the Board directed us to do when it adopted the SPIG's recommendation that we take steps to improve the efficiency of the standards process. If the industry does not agree that the waiver is appropriate, the ballot pool will vote it down. Finally, the waiver provision is designed to enhance the ability of the SC to accomplish the SPIG's recommendation #5, to ensure timely development of reliability standards and make efficient use of industry and NERC resources, while adhering with ANSI principles: Recommendation 5: Standards Development Process and Resources The Board is encouraged to require the standards development process be revised to improve timely, stakeholder consensus in support of new or revised reliability standards. The Board is also encouraged to require standard development resources to achieve and address:</p> <ul style="list-style-type: none"> o Formal and consistent project management o Efficient formation and composition of SDTs <p>Thanks for your consideration of these comments.</p> |
| <p>Response: Thank you for your comments and for your support. Your comments illustrate the need for the waiver provision.</p> | | |
| NextEra Energy | Yes | <p>NextEra generally supports the clarification, but suggests that an additional option for a waiver be added: "In response to a national emergency declared by the United States or Canadian government that involves the reliability of the BES or cyber attack on the BES." NextEra also recommends that the following be added as a lead in to ensure that stakeholders have adequate notice of a possible waiver: "With the exception of a waiver addressing a national emergency, all potential waivers must be</p> |

| Organization | Yes or No | Question 6 Comment |
|--|-----------|--|
| | | noticed to stakeholders 5 business days in advance of any consideration by the Standards Committee.” |
| <p>Response: Thank you for your comments and for your support. The concept of a notice period for stakeholders prior to consideration of a waiver request by the Standards Committee has been incorporated.</p> | | |
| Detroit Edison | Yes | |
| Western Small Entity Comment Group | Yes | |
| SPP Standards Review Group | Yes | |
| Dominion | Yes | |
| Arizona Public Service Company | Yes | |
| Idaho Power Co. | Yes | |
| WECC | Yes | |
| Essential Power, LLC | Yes | |
| American Transmission Company | Yes | |
| City of Jacksonville Beach, FL dba/Beaches Energy Services | Yes | |
| EPSA | | See comprehensive comments in Question 7. |

| Organization | Yes or No | Question 6 Comment |
|---|-----------|---|
| Response: | | |
| Exelon Corporation and its affiliates | | <p>Exelon believes there remains ambiguity in the waiver process and there need to be additional details added, such as:</p> <ul style="list-style-type: none"> o There should be a further explanation of why and under what circumstances a waiver would be used for a modification to a proposed standard or requirement, etc. as articulated in the third bullet under the provisions for a waiver. As there is a limitation that a waiver cannot be used to modify the voting requirements for a proposed standard, it is not clear under what circumstances an issue that has been “vetted by the industry through the standards development process” would be subject to a waiver. o Who can request a waiver or is the waiver limited to the Standards Committee members? o How will record of the decision to use the waiver process be documented and made known to stakeholders other than the BOT? |
| <p>Response: Thank you for your comments. Section 16.0 does not specify the identity of parties that may request a waiver because consistent with the openness and transparency of the standard development process, a waiver may be requested by anyone. Additional language has been added to address this concern which clarifies this point.</p> <p>The record of the decision on the waiver request will be documented by NERC staff and maintained on the relevant project page on the NERC website. In response to stakeholders concerns regarding transparency, openness and due process protections, we have incorporated the concept of a notice period for stakeholders prior to consideration of a waiver request by the Standards Committee and clarified how notice to stakeholders will be provided when the waiver provision is exercised. We have also incorporated a provision for the immediate reporting of waivers by the Standards Committee to the Standards Oversight & Technology Committee. Finally, we have added a footnote indicating that 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.</p> | | |

7. If you have any other comments on these proposed revisions that you haven't already mentioned above, please provide them here.

Summary Consideration: Stakeholders made a variety of suggestions and the drafting team considered each of the suggestions. Please refer to the individual responses below. Two issues that were identified by multiple stakeholders were related to the handling of SARs and consideration of Canadian federal holidays.

With respect to criteria for accepting or rejecting SARs and for retirement of a standards development project:

The Standards Committee is currently exploring whether there should be additional process(es), further guidelines and/or criteria for various Standards Committee decision points within the SPM such as acceptance rejection of a SAR or other drafting team output, when and how to terminate a standards development project, etc. This may be addressed a process documents or guidelines that support, but are not part of the SPM, or may be addressed in future revisions to the SPM. This matter is not ripe for inclusion in the current revision of the SPM.

With respect to consideration of Canadian federal holidays:

Regarding Section 4.9, the reference to federally-recognized United States Holidays is intended to acknowledge that NERC's offices that accept and process ballot submissions, which are located in the United States, are not open on these dates. While the Standards Committee and NERC staff make every consideration possible to posting conflicts, the Standards Committee did not feel it was necessary to codify this in the SPM. Since there are several representatives on the Standards Committee from Canadian entities, they can help ensure the other members are aware of Canadian-specific conflicts of any nature. No change made.

| Organization | Yes or No | Question 7 Comment |
|--|-----------|---|
| ACES Power Marketing Standards Collaborators | | (1) In section 1.4 on page 3, we suggest documenting that not only does Section 304 of the NERC Rules of Procedure compel an open and transparent standards development process but the Energy Policy Act of 2005 compels the same. Specifically, the statute requires "reasonable notice and opportunity for public comment, due process, openness, and balance of interests in developing reliability standards". (2) While section 3.4 clarifies that the Standards Committee (SC) has the authority to remand, reject, or accept the work of the drafting team, we suggest that |

| Organization | Yes or No | Question 7 Comment |
|--------------|-----------|---|
| | | <p>the SC develop guidelines or criteria for why they do so. This will avoid conflicts of interest in which SC members may not like the outcome of a perfectly valid standard.(3) We suggest the SC develop criteria and guidelines for why a standard will be developed. Just because a SAR is presented does not mean it is wise to develop a standard. The bar for submitting a SAR is not very high. There are many reliability issues that can be addressed outside the standards development process in a more expeditious fashion. For example, NERC alerts, lessons learned, partnering with the North American Transmission Forum and North American Generation Forum among other outreach initiatives can be used to address reliability issues rapidly. We have heard some say that a standard needs to be developed for key issues because “industry won’t do it without a standard”. If a standard always compelled the exact reliability behavior that FERC and NERC desire, there would be no standard violations. We obviously know that is not the case. Sometimes, industry (despite wanting to do the right thing) simply does not understand what is expected which further supports the need for other types of outreach besides developing a standard. The bottom line is that the criteria can’t be that a standard is the only way we can compel the desired reliability outcome because numerous violations clearly indicate that standards often do not work. (4) Section 3.6 clarifies that the SC shall appoint industry experts to standards drafting team and NERC “shall appoint drafting teams that develop Interpretations.” We suggest that the language regarding NERC appointing interpretation drafting teams to be made clear that NERC is appointing industry experts as well. (5) Several of the rationale boxes were truncated. We were not able to deduce the full rationale of the changes proposed by the SC as a result. (6) The language that a SAR can be rejected “for good cause” in Section 4.1 needs to be expanded. We suggest the SC develop criteria for what constitutes good cause. These criteria should be included in this standards process document or it should be referenced. (7) Sections 4.2 and 4.3 need to be further expanded to clarify that SC will only use another process besides public nomination for selecting a drafting team in extraordinary circumstances. The public nomination process should be used for nearly all standards development efforts. Furthermore, we suggest that the SC</p> |

| Organization | Yes or No | Question 7 Comment |
|--|-----------|--|
| | | <p>should develop criteria or a process for identifying when the public nomination process may not be used. For example, the only times we can fathom that another process would be used would be for a confidential issue related to national security that would require necessary security clearances or to address an aggressive regulatory deadline that is likely related to an imminent threat to reliability and time does not allow for the use of public nomination. (8) Section 4.2 clarifies that the drafting team will determine if there is support for a SAR. Without a ballot, how can the drafting team possibly gauge support? There have been many draft standards that receive little support despite the belief by the standards drafting team that they have developed a standard that is supported by industry. They only discovered the lack of support during the ballot because comments can be submitted by more than just the registered ballot body and can simply be misinterpreted(9) Section 4.6 states that the detailed results of the quality review shall be provided to the Standards Committee. We do not believe that is actual practice. We believe the quality review is only provided to the standards drafting team. If this is correct, we suggest modifying the section accordingly. (10) Section 4.15 should clarify under what circumstances a SC will decide to continue working on a standard that has failed the Final Ballot. There should be a high bar such as satisfying a regulatory deadline for the SC to do this. If the Registered Ballot Body has determined a proposed standard is not satisfactory by voting the standard down, continuing to develop a standard does not reflect their authority in the process. This authority should only be overridden by a higher body such as FERC through a regulatory deadline. After all, this is supposed to be a final ballot. It is not truly a final ballot, if more actions will be directed by the SC.</p> |
| <p>Response: (1) Regarding Section 1.4, thank you for your suggestion. We agree that NERC Rule of Procedure Rule (ROP) 304 is consistent with the requirements of EPA 2005. Because there are many instances where the SPM, the NERC ROP and other NERC documents align with the statute, it would be cumbersome to reference the statute repeatedly. The suggested edit is unnecessary. (2), (3), (6) and (10) The Standards Committee is currently exploring whether there should be additional process(es), further guidelines and/or criteria for various Standards Committee decision points within the SPM such as acceptance rejection of a SAR or</p> | | |

| Organization | Yes or No | Question 7 Comment |
|---|-----------|---|
| | | <p>other drafting team output, when and how to terminate a standards development project, etc. This may be addressed a process documents or guidelines that support, but are not part of the SPM, or may be addressed in future revisions to the SPM. This matter is not ripe for inclusion in the current revision of the SPM; however, your comment is noted and will be considered during the ongoing work of the Standards Committee.</p> <p>(4) Section 7.0, Process for Developing an Interpretation provides: “If the Standards Committee accepts the Interpretation request, the NERC Standards Staff shall form a ballot pool and assemble an Interpretation drafting team with the relevant expertise to address the interpretation.” Therefore, it is unnecessary to include additional language regarding interpretation drafting teams in Section 3.6.</p> <p>(5) The SCPS is unable to reproduce the described problem with the rationale boxes. We apologize for any inconvenience. You may contact your segment representative on the SC for more detailed information regarding the rationale of the proposed changes.</p> <p>(7) Thank you for the comment. However, the Standards Committee feels that flexibility is needed in this area, and spending time developing more process will not benefit the overall process improvements at this time.</p> <p>(8) Thank you for your comment. Voting on SARs was removed in a previous version of the SPM that was approved by the industry, as a means to expedite the process. The Standards Committee is currently exploring whether there should be an additional process(es), further guidelines for various Standards Committee decision points within the SPM such as acceptance rejection of a SAR or other drafting team output, when and how to terminate a standards development project, etc. This may be addressed a process documents or guidelines that support, but are not part of the SPM, or may be addressed in future revisions to the SPM. This matter is not ripe for inclusion in the current revision of the SPM; however, your comment is noted and will be considered during the ongoing work of the Standards Committee.</p> <p>(9) This language was a carryover from a former practice that included a review by the Standards Committee. We agree it is no longer in practice and modifications have been made.</p> |
| <p>ISO/RTO Council's Standards Review Committee</p> | | <p>1. The footer in the main page is erroneous, given the recent relocation of the NERC offices to Atlanta.2. We believe there should be an obligation on NERC to file a Board-approved Standard with appropriate regulatory bodies within 30 to 60 days.3. We believe that there should be a limit on the number of Additional Ballots that are required/can be performed, so that the Industry has an opportunity to appropriately affect the outcome of a Standards project through a rebalot.4. We believe the VRFs and VSLs should be eliminated from the Standards Development Process.5. We</p> |

| Organization | Yes or No | Question 7 Comment |
|--------------|-----------|--|
| | | <p>believe that the revision should include the changes to incorporate the formation of the Reliability Issues Steering Committee (RISC).6. The annual solicitation of projects by NERC Staff is no longer needed and should be eliminated, we have a backlog of Standards Projects in the plan and there is no need to ask for more work in this area; if there is an identified reliability need, a SAR should be submitted.7. The proposed elimination of the ability to appeal from the SPM is not acceptable.8. We do not support addition of section 4.18 which appears to give the Board additional authority outside of Process; any withdrawals should go through the industry for balloting.However, if the decision is to move forward with the section there is a significant issue which can result from the process as written. The process does not consider the impact if another governmental entity, such as a Canadian entity, has approved the standards. This impact should be considered.9. We do not support the proposed addition of the paragraph (in Section 7.0) which reads “The NERC Reliability Standards and Legal Staff shall review the final Interpretation to determine whether it has met the requirements for a valid Interpretation. Based on this review, the NERC Reliability Standards and Legal Staff shall make a recommendation to the NERC Board of Trustees regarding adoption.” We believe this is the responsibility of the SC.10. Section 7.0 - The statement “[i]f the Standards Committee accepts the Interpretation request, the NERC Standards staff shall form a ballot pool and assemble an Interpretation drafting team with the relevant expertise to address the interpretation.” As written it could be assumed that the ballot pool is formed at the same time as the drafting team is assembled which is not the case according to Figure 2 Process for Developing an Interpretation. 11. Section 7.0 - It is unclear why the textual description of the processes for conducting the Quality Review and the Standards Committee approval were deleted from this section and replaced with “Interpretations will be balloted in the same manner as Reliability Standards.” By deleting these steps, which occur prior to the balloting process, it could be implied that Quality Reviews will no longer be done and the Standards Committee will no longer approve Interpretations for posting.12. We do not support the proposed addition of the paragraph (in Section 10.0) which reads “NERC Board of Trustees may</p> |

| Organization | Yes or No | Question 7 Comment |
|--------------|-----------|--|
| | | <p>direct the development of a new or revised Reliability Standard to address a national security situation that involves confidential issues....” We believe this resides within the authority of FERC.13. Sections 10.1 through 10.7 - Response to Imminent, Confidential Issue - This process has become a black box. There is not interface with the Standards Committee except at the Chair and Vice Chair level. It is unclear as to how people will be notified as to when they can register for the ballot pool, what are the processes to determine when the standards should be available for formal stakeholder comments, etc. It is unclear why there is no opportunity for an Additional Ballot if the drafting team makes considerable changes to the standards.14. Sections 10.8 through 10.4 - Response to Non-imminent, Confidential Issue - Figure 4: Developing a Standard Responsive to a Non-imminent, Confidential Issue indicates the Standards Committee approves to post for Comment and Ballot (the first step 3). However, there is no mention in the textual description of the process that the Standards Committee will approve for posting. It is unclear why the Comment Period and Ballot may be abbreviated if the issue being address is not imminent (the second step 3).15. Section 13.0 - We do not support the five-year review modification to ten-years. We believe that the five-year review, had it been enforced, we would be in a position that the Paragraph 81 initiative would not be a necessity.However, if the decision is to move forward with limiting the 5 year review to ANSI approved Standards, the Standards Process Manual should be updated to include a process that specifies how/when a BOT approved standard will be submitted to ANSI for approval. As noted in the rationale there are no standards submitted to ANSI. Without having a process in place identify standards for submittal to ANSI, by default all standards will move to a ten year review.16. There appears to be contradictory language regarding establishing a quorum. These are both confusing and we suggest clarifying this language and making it consistent.17. Section 1.4 - Under Balance bullet it indicates “[t]he Registered Ballot Body serves as the consensus body voting to approve each new or proposed Reliability Standard, definition, Variance, and Interpretation.” Suggest this be changed to “approve or reject”. Also suggest adding a statement that they approve or reject retirement of a</p> |

| Organization | Yes or No | Question 7 Comment |
|--------------|-----------|---|
| | | <p>Reliability Standard, definition, Variance, and Interpretation.18. Section 1.4 - Under the new Metrics bullet it indicates that the standards apply in portions of Mexico. Section 1.3 indicates that the standards are applicable in the United States and through applicable authorities in Canada. There is no other mention of Mexico in the SPM other than the new section. If the standards are applicable in Mexico, we suggest additional conforming changes be made to the SPM where appropriate such as Section 3.7 Governmental Authorities, and Section 10 Process for Developing a Reliability Standard Related to a Confidential Issue.19. Section 2.5 - The following statement was added. "The Components of a Reliability Standard may include the following." This statement would imply that none of the elements such as Title, Number, Purpose, Applicability, Effective Date, or even Requirement are required in a Reliability Standard. Though there are some items that may be included in a Reliability Standard such as Application Guidelines and Procedures there are some items that should always be required. The SPM should delineate between what is always required and what is optional rather than indicating everything is optional.20. Footnote 5 - More information on where the Sanctions Guidelines of the North American Electric Reliability Corporation document is posted (such as the web page) would be helpful other than to indicate it is posted somewhere on the NERC Web Site. Also, we do not think it is appropriate to have footnotes embedded in footnotes. Footnote 6 is included in footnote 5.21. Section 3.1 - We suggest that under the Board of Trustees the scope be expanded to include approval of retirements as well as withdrawals of Reliability Standards, definitions, Variances, or Interpretations to be consistent with other sections of the document.22. Section 3.4 - New language was added to allow the Standards Committee to disband a drafting team. However, the SPM does not provide the next steps. It would be beneficial to outline the options available to the Standards Committee once they disband a drafting team, such as terminate the project, create a new team, place the project on hold, etc.23. Section 3.6 (Drafting Team) indicates the drafting team may consist of technical, legal and compliance experts, while section 4.3 (Form Drafting Team) makes references to regulatory rather than legal. It would be appropriate to use</p> |

| Organization | Yes or No | Question 7 Comment |
|--------------|-----------|--|
| | | <p>consistent terminology. Also in section 4.3 there is no reference to including compliance experts. This seems inconsistent.24. Section 4.1 through 4.3 - Appointing drafting team during the SAR process - It is unclear in reading these sections as to what conditions determine if a drafting team is/is not created to assist in developing the SAR. Additional clarification would be helpful. 25. Section 4.5 - The revisions remove the minimum duration of 30 days for informal comments. We recognized that there are situations such as webinar’s, meetings, etc. where comments could be gathered in less than 30 days. However, we would recommend if the standard is posted for informal comments that a minimum guideline be included in the SPM for soliciting the informal comments. We believe in these situations, 30 days is a reasonable timeframe for soliciting informal written comments.26. Section 4.6 - Indicates the quality review will be done in accordance with the Standards Committee’s approved procedures for conducting Quality Reviews. We could not find where these procedures posted? On the Reliability Standards Resources web page we found the Draft Template for Quality Review of a NERC Reliability Standard but no procedures. We would also recommend that there be a set time limit from when the NERC Reliability Standards Staff receives a request to conduct a Quality Review to when the Quality Review is completed.27. Sections 4.9 through 4.15 -- By removing the Initial Ballot reference in the SPM and then adding capitalized terms for Additional Ballot and Final Ballot has added confusion to the SPM. We would suggest: a) adding the Initial Ballot process back into the type of Ballots so there are no gaps in types of ballots; b) additional clarity be added to specify whether there can be one and only one Final Ballot: and c) additional clarity be provided by what is meant by not having to respond to comments in a previous ballot.28. Section 5.1 - states the “[i]f 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 scope of the existing project.” In this situation it is unclear as to what happens with the SAR. Additional clarity on what happens to a SAR that is incorporated into an existing project would be beneficial.29. Section 6.1 - What is meant by “the Standards Committee may direct the team to withdraw the SAR until</p> |

| Organization | Yes or No | Question 7 Comment |
|--------------|-----------|--|
| | | <p>the data has been collected and analyzed”? By withdrawing the SAR: a) is it rejected and a new SAR will need to be submitted; b) does it place the SAR in a hold status until the field test has been completed or; c) are their multiple options for what may happen when the SAR is withdrawn. Additional clarity on the available options to the Standards Committee would be helpful.³⁰ Section 9.1 Interconnection-Wide Variances makes an invalid assumption in that an interconnection-wide variance would be applicable to one Regional Entity and that the standards should be developed through that Regional Entity’s NERC-approved Regional Reliability Standards development procedure. If there is a variance that is applicable to the Eastern Interconnection which Regional Reliability Standards development procedure should be used?³¹ Advisor or Coordinator - in some instances the term advisor is used in one instance the term coordinator is used. Are these the same? If so, we suggest consistently using the same term.³² References to NERC staff should be consistent. Sometimes the term NERC Reliability Standards Staff is used an in some instances NERC Standards Staff is used. For example, see Section 7.0 third paragraph.³³ We recommend a thorough review of Reliability Standards Resources web page document references be conducted. We have found:</p> <ul style="list-style-type: none"> o There are numerous references to documents found on the Reliability Standards Resources web page where the documents referenced in the SPM do not match the document names on the web page or the name in the document. For example, “market interface principles” is used in the SPM (section 2.3 and footnote 2). The document posted is Market Principles. o The SPM should also consistently use the same name when referencing a document. For example, the SPM sometimes uses “Ten Benchmarks of an Excellent Reliability Standards.” Other sections reference “NERC’s Benchmarks for Excellent Standards.” o If a document is identified as being on the Reliability Standards Resources web page verify it is currently on the web page. For example footnote 23 indicates the NERC NAESB Template for Joint Standards Development and Coordination is posted on the Reliability Standards Resources web page. The same is applicable for footnote 24 which references the Process for Approving Data Collection and Analysis and Field Test Associated with a Reliability |

| Organization | Yes or No | Question 7 Comment |
|---|-----------|---|
| | | Standard. We could not find these documents posted on the web page. |
| <p>Response:</p> <ol style="list-style-type: none"> 1. The suggested edit is accepted. The footnote on the cover page will be changed to reflect the current NERC address in Atlanta. 2. In the recent 2 years, NERC staff has greatly improved the processes and timing for getting items filed timely with FERC. The items that are held longer than typical are done so deliberately and thoughtfully. The Standards Committee believes that flexibility is needed in this area, and will continue to monitor NERC's performance. 3. Regarding the comment to limit the number of ballots, an intentional decision was made not to put an arbitrary limitation in place. While it might be clear in some cases after one or two ballots whether a standard is going to be successful, in other cases it may take much longer for consensus to arise. We believe this issue is better handled by the authority the SC has to terminate a project if it does not believe consensus can be achieved. An arbitrary limit could require a project to be restarted just as consensus is about to be reached. 4. The NERC SCPS agrees with the commenter in that the ultimate goal is to eliminate the VRFs and VSLs from the Reliability Standards. The elimination requires the development of a replacement to the existing Penalty Matrix, which supports and incorporates the risk based concepts into the enforcement process. In support of these efforts, the SCPS is continuing to work toward the elimination of the VRFs and the VSLs through further development of the 'Sanctions Table' concepts originally proposed during the initial formal comment period and is actively working with NERC and Regional Enforcement staff to establish a consensus on the concepts. While the concepts that support the elimination of the VRFs and VSLs are vetted, the SCPS is actively developing concepts in response to the SPIG recommendations to ease the burden on the SDTs and to provide an opportunity to shorten the development timeframes associated with standard development projects. In support of these efforts the SCPS has further developed guidance for the SDTs to assist with the development of the VRFs and VSLs. 5. It is still unclear what role the RISC will play, in regards to the front end of Standards Development. Until that is understood, no changes will be made to the SPM. 6. We agree this area should be reconsidered. However, this matter is not ripe for inclusion in the current revision. Thank you for your support of the proposed changes to the SPM. 7. No change to the appeals process was made. References to the process in some sections were eliminated, but section 8 makes | | |

| Organization | Yes or No | Question 7 Comment |
|--------------|-----------|--|
| | | <p>clear that “any procedural action or inaction related to the development, approval, revision, reaffirmation, retirement or withdrawal of a Reliability Standard” may be appealed. No substantive changes were made to this section.</p> <p>8. We agree that a withdrawal should go through an industry ballot. Modifications to the SPM have been made.</p> <p>9. The purpose of the final review of the Interpretation is to ensure that the final product comports with the requirements set forth in the Standard Processes Manual. This step fulfills the obligations of NERC Staff to their corporate board and provides accountability.</p> <p>10. We believe the text and the figure are consistent, regarding NERC staff actions after the SC accepts an interpretation request. Additional clarification to demonstrate that these activities are not done at the same time would not contribute to the overall improvement of the SPM. No change was made.</p> <p>11. Details regarding Quality Reviews and Standards Committee approval are in Section 4 (and its subsections). Instead of reiterating those steps in Section 7.0, the language was removed and a reference to the standards development process was added. These steps are still required, as you can see in the flow chart. No changes were made.</p> <p>12. With respect to the ability of NERC to direct the development of a new or revised standard to address a national security situation that involves confidential issues is not new to this revision. No substantive changes to this provision are proposed in this revision. Also NERC’s authority in this area is concurrent with that of FERC, not exclusive. No change made.</p> <p>13. With respect to comment 13, no substantive changes to this provision are proposed in this revision. Although there is some reduction in transparency necessary to protect the confidential issues involved, the provisions balance the need for confidentiality with the needs of the Ballot Pool for relevant information. No change made.</p> <p>14. With respect to comment 14, we have made changes to the process flow chart to correct the issues you identified. Thank you for identifying these issues.</p> <p>15. With respect to comment 15, the move to a ten year review period was deemed appropriate to enable the limited industry resources available to be put to their most effective use. While we certainly understand the advantages of a more frequent review, including those you noted, we believe there is a consensus in the industry for the increased flexibility this change provides. No change made.</p> <p>16. Although different phrasing is used in two different sections, we do not see an actual conflict. However, modifications have been made. Recommend the following modification in parts 1.4 and 4.10. (Rejecting the change to 4.10) “A quorum, which is established by at least 75% of the members of the ballot pool submitting an affirmative vote, a negative vote, or an</p> |

| Organization | Yes or No | Question 7 Comment |
|--------------|-----------|---|
| | | <p>abstention”</p> <p>17. Thank you for your comment. We will take this clarification under consideration for the next revision.</p> <p>18. The SPM was reviewed for all places where Canada was mentioned, to see if it was appropriate to also add Mexico. Since NERC does not have a MOU with Mexico or any part of Mexico, we felt it was not appropriate to treat it the same way in the SPM. (Note: WECC enforces some standards in Baja.) No changes were made.</p> <p>19. FERC has held that only the Requirements and Applicability components of a standard are enforceable. While not required, the other components of a Reliability Standard listed in Section 2.5 are important for a complete understanding of the standard. To make clear that all of the listed components should be included in a draft standard without suggesting that they are all "required", Section 2.5 will be edited to remove the word "may". The phrase will read as follows: "The Components of a Reliability Standard include the following. . ."</p> <p>20. Regarding the content of footnote 5, more information regarding exactly where the Sanctions Guidelines are located on the NERC web-page will not be included at this time because the NERC web-page is subject to change more frequently than the SPM. The issue with the placement of footnote 6 appears to be a typographical formatting error that resulted when tracked changes were accepted in the document. The formatting will be corrected to ensure that footnote 6 is independent of footnote 5.</p> <p>21. Thank you for your comment. We will take this clarification under consideration for the next revision.</p> <p>22. The Standards Committee is currently exploring whether there should be additional process(es), further guidelines and/or criteria for various Standards Committee decision points within the SPM such as acceptance rejection of a SAR or other drafting team output, when and how to terminate a standards development project, etc. This may be addressed a process documents or guidelines that support, but are not part of the SPM, or may be addressed in future revisions to the SPM. This matter is not ripe for inclusion in the current revision of the SPM; however, your comment is noted and will be considered during the ongoing work of the Standards Committee.</p> <p>23. Agreed. Modifications have been made.</p> <p>24. The decision to provide the SC discretion in creating a drafting team to assist with SAR development was intentional. The proposed language gives the SC the flexibility needed to create such a team only in scenarios where it believes a team would be helpful and would justify the associated resources. No change made.</p> <p>25. A crucial aspect of the SPM revisions is to provide flexibility to make the standards development process as efficient as</p> |

| Organization | Yes or No | Question 7 Comment |
|--------------|-----------|---|
| | | <p>possible. While we agree that 30 days is a reasonable time frame in many situations, the choice was made not to bind the industry to a specific period in this informal feedback gathering stage. No change made.</p> <p>26. The procedures for conducting a quality review are currently being revised by the SCPS. Your recommendation for a time limit between receiving a request and completing the review will be taken into consideration as those procedures are developed.</p> <p>27. With respect to comment 27, a) Initial Ballot was replaced by Ballot. Section 4.7 is where the first Ballot is conducted. The sections that follow are sequential in their references to an Additional Ballot or Final Ballot. No change made. b) As states in Section 4.15, there is no limit to the number of ballots that may be conducted. This includes Final Ballots. No change made. c) Section 4.31 is clear that a formal response to all comments is required prior to conducting a Final Ballot. We believe the language you are referring to clearly communicates that if an Additional Ballot will be conducted, no formal response to comments from previous ballots is required. No change made.</p> <p>28. The Standards Committee is currently exploring whether there should be additional process(es), further guidelines and/or criteria for various Standards Committee decision points within the SPM such as acceptance rejection of a SAR or other drafting team output, when and how to terminate a standards development project, etc. This may be addressed a process documents or guidelines that support, but are not part of the SPM, or may be addressed in future revisions to the SPM. This matter is not ripe for inclusion in the current revision of the SPM; however, your comment is noted and will be considered during the ongoing work of the Standards Committee.</p> <p>29. The Standards Committee is currently exploring whether there should be additional process(es), further guidelines and/or criteria for various Standards Committee decision points within the SPM such as acceptance rejection of a SAR or other drafting team output, when and how to terminate a standards development project, etc. This may be addressed a process documents or guidelines that support, but are not part of the SPM, or may be addressed in future revisions to the SPM. This matter is not ripe for inclusion in the current revision of the SPM; however, your comment is noted and will be considered during the ongoing work of the Standards Committee.</p> <p>30. Thank you for your comment. However, this suggestion is out of scope for this revision and would not contribute to an overall improvement of the SPM. We will retain this issue for a future revision.</p> <p>31. Regarding the issue of advisor versus coordinator, each word is only in the text one time, and in both cases it is used in a general use of the word (dictionary), rather than as a job title. We believe it is appropriate to leave the text as is.</p> <p>32. Thank you for your comment. The issue raised does not present a substantive problem that requires correction at this time.</p> |

| Organization | Yes or No | Question 7 Comment |
|--|-----------|---|
| <p>33. A reconciliation of the Resources webpage will be conducted. However, modifications may have to be made in a future revision to the SPM.</p> | | |
| <p>American Public Power Association</p> | | <p>A special note of thanks to the SCPS, SCCPS and NERC staff, and to all industry stakeholders that have contributed to revision of the NERC Standard Processes Manual. A phenomenal amount of very high quality development work and systematic outreach to industry was completed over a period of just five months, to move the broadly outlined recommendations of the SPIG from concept to industry ballot. You are to be commended for that effort.</p> |
| <p>Response: Thank you for your comment.</p> | | |
| <p>Canadian Electricity Association</p> | | <p>CEA wishes to raise one issue, which was briefly addressed by the SDT and the SCPS in the consideration of comments from the first comment period. The SPM revisions include new language in Section 4.9, which reads as follows: "If the last day of the ballot window falls on a Saturday, Sunday or federally-recognized United States holiday, the period does not end until the next business day." In response, a CEA member requested that equal consideration be given to statutory holidays in Canada. In its official consideration of comments, the SCPS said that adding more holidays to the calendar of days when a ballot or other action cannot close would be "counter to the SPIG recommendations which are calling for improvements to shorten the process." As the national representative of NERC members and registered entities in Canada, CEA calls on the SDT and SCPS to re-consider. CEA acknowledges that this issue may appear to be a minor one; however, we believe that it is a matter of principle for an international organization like NERC, which is accountable to members and governmental authorities in both the United States and Canada. NERC should seek to afford equal consideration to the interests, concerns and - in scenarios such as this - customs of its stakeholders on either side of the border. CEA finds the SCPS' argument to be unpersuasive and unreasonable. We request that the language</p> |

| Organization | Yes or No | Question 7 Comment |
|--|-----------|---|
| | | <p>in Section 4.9 be modified, as follows: "If the last day of the ballot window falls on a Saturday, Sunday, federally-recognized United States holiday, or holiday in the majority of Canadian jurisdictions, the period does not end until the next business day."</p> |
| <p>Response: Regarding Section 4.9, the reference to federally-recognized United States Holidays is intended to acknowledge that NERC's offices that accept and process ballot submissions, which are located in the United States, are not open on these dates. While the Standards Committee and NERC staff makes every consideration possible to posting conflicts, the Standards Committee did not feel it was necessary to codify this in the SPM. Since there are several representatives on the Standards Committee from Canadian entities, they can help ensure the other members are aware of Canadian-specific conflicts of any nature. No change made.</p> | | |
| HHWP | | <p>-Comment A- Can the SPIG please check the Rational provided for Section 2.5. It does not appear relevant. Rationale: Section 2.5 has been updated to reflect the SPIG recommendation that redundant elements of a standard be eliminated, as well as a recomm</p> |
| <p>Response: The Rationale statements are a communication tool intended to provide commenters with background on the proposed changes and guide comments. The Rationale statements will be removed when the final changes are approved, and are not part of the SPM. Part of the rational statement that was originally posted related to the proposal to replace VRFs and VSLs, but the proposal did not have sufficient industry support in the first round of comments. The VSL/VRF language was added back into this version of Section 2.5, and the related language in the rationale statement was removed accordingly. What remains of the rationale statement in this posting explains the other, minor changes to Section 2.5 that were made prior to the last posting that more clearly articulate the components of a reliability standard and how they related to the Requirements of a Reliability Standard.</p> | | |
| NPCC | | <p>Comments: The following additional comments: o The footer in the main page is erroneous, given the recent relocation of the NERC offices to Atlanta. o There should be an obligation on NERC to file a Board-approved Standard with appropriate regulatory bodies within 30 to 60 days. o There should be a limit on the number of recirculation ballots that are required/can be performed, so that the Industry has an</p> |

| Organization | Yes or No | Question 7 Comment |
|--------------|-----------|--|
| | | <p>opportunity to appropriately affect the outcome of a Standards project through a re-ballot. o The VRFs and VSLs should be eliminated from the Standards Development Process. o The revision should include the changes to incorporate the formation of the Reliability Issues Steering Committee (RISC). o The annual solicitation of projects by NERC Staff is no longer needed and should be eliminated. There is a backlog of Standards Projects in the plan and there is no need to ask for more work in this area. If there is an identified reliability need, a SAR should be submitted. o The proposed elimination of the ability to appeal from the SPM is not acceptable. o We do not support addition of section 4.18 which appears to give the Board additional authority outside of Process. Any withdrawals should go through the industry for balloting. o We do not support the proposed addition of the paragraph (in Section 7.0) which reads “The NERC Reliability Standards and Legal Staff shall review the final Interpretation to determine whether it has met the requirements for a valid Interpretation. Based on this review, the NERC Reliability Standards and Legal Staff shall make a recommendation to the NERC Board of Trustees regarding adoption.” This is the responsibility of the SC. o We do not support the proposed addition of the paragraph (in Section 7.0) which reads “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...” This resides within the authority of FERC. o We do not support the five year review modification to ten years. The enforcement of the five year review would have made the Paragraph 81 initiative unnecessary. o Regarding the No voting without responses, NERC should change their tool such that the submitter gets an error message unless something is included in the comments field. This would appropriately resolve the issue. o The present SPM has an “expedited standards development process” that was stricken. However, the RoP section 300 (Reliability Standards Development) requires that process. Section 309.3 references it. The SPM should retain that. Without it in the SPM, NERC cannot respond to a request from a governmental authority for expedited development of a standard. The SPM therefore needs to retain that procedure, and if this provision were reinstated, the use of a waiver process would be minimized since</p> |

| Organization | Yes or No | Question 7 Comment |
|--------------|-----------|--|
| | | <p>the expedited process would be a provision of the SPM. o The proposed version of Section 16.0: Waiver of the SPM (from the clean version, p. 49) allows the Standards Committee wide latitude to waive any SPM provision. From the document: “The Standards Committee may waive any of the provisions contained in this manual for good cause shown, but limited to the following circumstances: o Where necessary to meet regulatory deadlines; o Where necessary to meet deadlines imposed by the NERC Board of Trustees; or o 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. 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.” The use of a waiver will result in a violation of the NERC’s American National Standards Institute (ANSI) approved standards development process. Otherwise, the last highlighted sentence above would not be needed. Reporting the use of a waiver prior to the Board of Trustees (BOT) adopting a standard is unacceptable (refer to “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.”). The exercise of the waiver and BOT approval may be separated by years of work by the both the Standards Committee (SC) and the standards drafting team (SDT). Each exercise of a SC waiver should have BOT finality so that the BOT will not be pressured to approve any waiver in order to not reject the substantial body of work that has followed the exercise of the waiver by the SC. At a minimum, waivers to the SPM should be preceded by the</p> |

| Organization | Yes or No | Question 7 Comment |
|---|-----------|--|
| | | <p>following:a. The posting of an SC document to the Registered Ballot Body that describes the reason for the requested waiver, including the threat to reliability, and what processes would be affected by the waiver.b. A short (10 day) period for accepting Registered Ballot Body comments.c. After comments are received, the SC may either withdraw the waiver or request its expedited approval by the NERC board, ensuring that the Board is supplied with the comments received. The entire process proposed above could be completed within 30-45 days, causing a minor delay for the hopefully rare exercise by the SC of waiving a SPM provision. o The extension of the ballot window when the last day falls on a Saturday, Sunday or federally-recognized United States holiday, should be modified to include Canadian holidays. It must be recognized that the document applies continent-wide.</p> |
| <p>Response: 1) The suggested edit is accepted. The footnote on the cover page will be changed to reflect the current NERC address in Atlanta.</p> <p>2) In the recent 2 years, NERC staff has greatly improved the processes and timing for getting items filed timely with FERC. The items that are held longer than typical are done so deliberately and thoughtfully. The Standards Committee believes that flexibility is needed in this area, and will continue to monitor NERC's performance.</p> <p>3) Regarding the comment to limit the number of ballots, an intentional decision was made not to put an arbitrary limitation in place. While it might be clear in some cases after one or two ballots whether a standard is going to be successful, in other cases it may take much longer for consensus to arise. We believe this issue is better handled by the authority the SC has to terminate a project if it does not believe consensus can be achieved. An arbitrary limit could require a project to be restarted just as consensus is about to be reached.</p> <p>4) The NERC SCPS agrees with the commenter in that the ultimate goal is to eliminate the VRFs and VSLs from the Reliability Standards. The elimination requires the development of a replacement to the existing Penalty Matrix, which supports and incorporates the risk based concepts into the enforcement process. In support of these efforts, the SCPS is continuing to work toward the elimination of the VRFs and the VSLs through further development of the 'Sanctions Table' concepts originally proposed during the initial formal comment period and is actively working with NERC and Regional Enforcement staff to establish a consensus on the concepts.</p> <p>While the concepts that support the elimination of the VRFs and VSLs are vetted, the SCPS is actively developing concepts in</p> | | |

| Organization | Yes or No | Question 7 Comment |
|--------------|-----------|---|
| | | <p>response to the SPIG recommendations to ease the burden on the SDTs and to provide an opportunity to shorten the development timeframes associated with standard development projects. In support of these efforts the SCPS has further developed guidance for the SDTs to assist with the development of the VRFs and VSLs.</p> <p>5) It is still unclear what role the RISC will play, in regards to the front end of Standards Development. Until that is understood, no changes will be made to the SPM.</p> <p>6) We agree this area should be reconsidered. However, this matter is not ripe for inclusion in the current revision. Thank you for your support of the proposed changes to the SPM.</p> <p>7) With respect to the comment regarding the appeals process, no change to the appeals process was made. References to the process in some sections were eliminated, but the appeals process itself still remains in section 8.0.</p> <p>8) Agree that a withdrawal should go through an industry ballot. Modifications to Section 4.18 of the SPM have been made.</p> <p>9) The purpose of the final review of the Interpretation is to ensure that the final product comports with the requirements set forth in the Standard Processes Manual. This step fulfills the obligations of NERC Staff to their corporate board and provides accountability.</p> <p>10) With respect to the ability of NERC to direct the development of a new or revised standard to address a national security situation that involves confidential issues is not new to this revision. No substantive changes to this provision are proposed in this revision. Furthermore, NERC’s authority in this area is concurrent with that of FERC, not exclusive. No change made.</p> <p>11) With respect to the comment regarding the change to the 5 year review process, the move to a ten year review period was deemed appropriate to enable the limited industry resources available to be put to their most effective use. While we certainly understand the advantages of a more frequent review, including those you noted, we believe there is a consensus in the industry for the increased flexibility this change provides. No change made.</p> <p>12) The suggestion for “change [the] tool such that the submitter gets an error message unless something is included in the comments field.” will be communicated to NERC Staff for possible incorporation to the balloting software.</p> <p>13) With respect to the comment regarding an expedited review process, we believe that Section 16 of the SPM which provides the SC the authority to waive various provisions of the standards development process in specified situations is more than adequate to meet the requirement for an expedited process found in the ROP section 309.3. Note that Section 16 of the SPM specifically lists the need to meet a regulatory deadline as a justification for a waiver. The waiver section also provides more</p> |

| Organization | Yes or No | Question 7 Comment |
|--------------|-----------|--|
| | | <p>flexibility to the SC than a specified procedure would. No change made.</p> <p>14) The waiver provision would not violate ANSI. The currently-effective Standard Process Manual already provides a process for the expedited development of Reliability Standards where necessary “to meet an urgent reliability issue such that there isn’t time to follow all the steps in the normal Reliability Standards development process.” The waiver provision replaces this section in its entirety.</p> <p>In the currently-effective Standard Process Manual, the section on Processes for Developing a Reliability Standard Related to a Confidential Issue states: “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 <u>shall not be filed with ANSI for approval as ANSI standards.</u>” (emphasis added). The concept that certain Reliability Standards will not be filed with ANSI is not a new one to the Standard Processes Manual nor does it jeopardize NERC’s accreditation.</p> <p>In order to address your concern regarding the potential lag in reporting to the Board of Trustees, additional language has been added to require reporting of the use of the waiver provision to the Standards Oversight & Technology Committee.</p> <p>In order to address your concern regarding notice to stakeholders, the concept of a notice period for stakeholders prior to consideration of a waiver request by the Standards Committee has been incorporated.</p> <p>NERC, the Regional Entities and industry stakeholders have a significant mutual investment in developing a sustainable Reliability Standards program that will maintain the reliability of the bulk power system in North America. The success of the unique Electric Reliability Organization (ERO) model requires NERC to develop and maintain a body of high-quality, effective Reliability Standards. The current trajectory is unsustainable and, without considering significant course correction, the ERO and industry finds itself nearing a critical juncture where alternate methods to accomplish the development of mandatory Reliability Standards has become necessary. NERC is at risk of losing the confidence of U.S. regulatory authorities and industry executives in its ability to produce standards in a timely and efficient manner.</p> <p>Adding an additional 30-45 days to the standard development process in order to utilize a waiver as proposed would defeat the very purpose of the waiver provision- which is to add flexibility to the process.</p> <p>15) Regarding Section 4.9, the reference to federally-recognized United States Holidays is intended to acknowledge that NERC’s offices that accept and process ballot submissions, which are located in the United States, are not open on these dates. While the Standards Committee and NERC staff make every consideration possible to posting conflicts, the Standards Committee did not feel it was necessary to codify this in the SPM. Since there are several representatives on the Standards Committee from Canadian</p> |

| Organization | Yes or No | Question 7 Comment |
|--|-----------|--|
| <p>entities, they can help ensure the other members are aware of Canadian-specific conflicts of any nature. No change made.</p> | | |
| Consumers Energy | | <p>Consumers Energy believes that where substantive changes are made, quality review should still be performed. Though this is a time consuming process, we believe it is better than a standard which does not meet all the necessary criteria being approved, presented to FERC, then returned for additional work.</p> |
| <p>Response: The goal of quality review is to ensure that a standard presented for FERC approval meets the necessary criteria for approval. As is stated in the “rationale” box attached to Section 4.6, the changes to the language in this section are intended to ensure that quality review occurs in parallel with the development of a Reliability Standard. Section 4.6, fn 30 also states that quality review will be conducted in accordance with an approved procedure. The Standard Committee’s Standards Process Subcommittee is working on improvements to the quality review procedure that will ensure quality review will occur as necessary “in parallel with the development of a Reliability Standard” to best facilitate FERC approval. While in some cases it might be advisable to conduct an additional Quality Review after substantial changes have been made to a standard there are other cases where a change, although substantive, is not substantial enough to justify the delay and resources that would be involved. For this reason we do not believe it is advisable to require an additional Quality Review after every substantive change.</p> | | |
| EPSA | | <p>EPSA answers:EPSA generally supports the efforts of the Standards Committee (SC) and NERC staff regarding the proposed revisions to the Standards Process Manual and votes yes on while expressing the value of improvements and concerns about the proposed revisions. It is important to incorporate the changes of the Standards Process Input Group (SPIG) and make changes that will promote continual improvement of the standards process. Several revisions should improve the standards process: - Development of RSAWs in the standards process will better align RSAWs with the intent of the standard and motivate registered entities to use RSAW provisions in compliance programs; - the revised language includes the inclusion of technical writers, legal, compliance and facilitation support personnel which will provide for appropriate professional personnel making the standards process more efficient; - removal of the 30 day time frame for informal comment periods is useful</p> |

| Organization | Yes or No | Question 7 Comment |
|--------------|-----------|---|
| | | <p>to give flexibility to the informal process;- enabling quality reviews to occur throughout the process rather than at the end is a positive changes which should add flexibility; and, - Standard Authorization Request (SAR) remand revisions process improvement that now allow the SC to remand a SAR to either Staff or the requestor should increase efficiency.EPSA does have some concerns about the proposed changes that should be noted:- A key point raised through the SPIG evaluation process and in the comments was the need for better front end analysis. This point went in two directions - one became a Reliability Issues Steering Committee (RISC) task to consider whether an issue should be handled with a standard. The RISC is now in place and will address this issue. The second issue dealt with whether to deploy more robust input in creating the project details (scope, foundational analysis, etc.) that would better focus the standard project. In EPSA's view the second issue still needs to be addressed. Should the SPIG continue its work EPSA recommends that this issue should be the starting point for their continued work. - Another SPIG recommendation was for better utilization of the technical committees in the standards development process. The current revisions do not include effective changes regarding the role of the technical committees.- The revisions tie the SPM closely to the Reliability Standards Development Plan (RSDP). It's not clear that the plan development process is sufficient to support this strong of a tie. The RSDP process may need notable revision to be effective. Moreover, it may need coordination with the RISC efforts.- Removal of Measures from the standard language means removal of approved language that has provided registered entities with stability and provides informal guidance. The replacement of Measures with RSAWs needs to demonstrate measurable benefits, and if not, the change should be revisited.- Regarding changes associated with Response to Comments - EPSA infers that the benefit of the change is that SDT members don't have to spend as much time on responding to comments and can focus on drafting work. However, the response to comments is important - its serves as an acknowledgement, as well as whether the SDT understood the comments, and as a tool for confirming language understanding. Such clarification can inform understanding in the compliance</p> |

| Organization | Yes or No | Question 7 Comment |
|--|-----------|---|
| | | <p>process. In addition, putting all responses at the end of the process in summary form may eliminate the value that the response to comments contributed to language development and getting to yes votes.- The waiver justification is that it will improve efficiency and expedite the standards process in place of the Expedited Process. EPSA believes that installing a broad waiver may not be as efficient as fixing the problems with the Expedited Process. The inclusion of the waiver creates a lot of latitude for the SC to potentially step aside the process that relies on stakeholder expertise for decision making. Therefore it is not assured that time will be saved through use of the waiver.</p> |
| <p>Response: Thank you for your comments of support. Regarding your particular areas of concern:</p> <ol style="list-style-type: none"> 1) It is still unclear what role the RISC will play, in regards to the front end of Standards Development. Until that is understood, no changes will be made to the SPM. 2) The SPM currently contemplates utilization of the technical committees in various steps. No additional changes in this version are planned. However, a change in how the SPM is utilized is where further improvements will be seen. 3) Since the RSDP process is where modifications would need to occur, no changes have been made to the SPM. This feedback will be retained for consideration in modification of the RSDP process. 4) With regard to the comment regarding removal of measures, their exclusion in standards would occur going forward only. All existing approved measures will be retained until the next revision of the standard. 5) It is envisioned that the collaboration between Standards and Compliance will continue throughout the life of the Reliability Standard and the associated RSAW and that future revisions to either the Reliability Standard or the RSAW will maintain this relationship. <p>While we agree that the well crafted measures provide a level of certainty in regards to compliance obligations, we also recognize that the current format within the Standard does not lend itself to allow the SDT to clearly articulate the intent of the requirements. Eliminating the Measures from the Standard and incorporating them in to the RSAWs provides the SDT with the opportunity to provide a complete explanation of the intent of the requirements while providing guidance on how to achieve the acceptable level of compliance.</p> <ol style="list-style-type: none"> 6) As you note, Section 16.0 is very similar to the currently –effective Standard Processes Manual section of the Expedited | | |

| Organization | Yes or No | Question 7 Comment |
|--|-----------|--|
| | | <p>Reliability Standard Development Process. However, a Standard developed using the Expedited Reliability Standard Development Process is approved only on a conditional basis and it must <i>again</i> go through the standard development process in order to be made permanent. The Expedited Reliability Standard Development Process provides:</p> <p>If a new or modified Reliability Standard is developed, approved by its ballot pool, and subsequently adopted by the NERC Board of Trustees through this expedited process, one of the following three actions shall occur [fn27]:</p> <ul style="list-style-type: none"> • If the Reliability Standard is to be made permanent without additional substantive changes, then a SAR and a proposed Reliability Standard shall be submitted to the Reliability Standards staff immediately after the ballot. The project shall be added to the list of approved projects and shall proceed through the regular standard development process, including balloting by stakeholders, without any intentional delay. • If the Reliability Standard is to be substantively revised or replaced by a new Reliability Standard, then a project for the new or revised Reliability Standard shall be added to the list of projects to be added to the Reliability Standard Development Plan. The project shall be initiated as soon as practical after the ballot and the project shall proceed through the regular Reliability Standard development process, including balloting by stakeholders, as soon as practical but within two years of the date the Reliability Standard was approved by stakeholders using the expedited process. • The Reliability Standard shall be withdrawn through a ballot of the stakeholders within two years of the date the Reliability Standard was approved by stakeholders using the expedited process. <p>This is clearly redundant and a waste of resources for NERC, the industry and the drafting team. Rather than repeating the standard development process, Section 16.0 would allow a Reliability Standard to become “permanent” upon stakeholder approval.</p> |
| <p>National Rural Electric Cooperative Association (NRECA)</p> | | <p>General Comments:NRECA continues to have significant concerns with the new provisions in the proposed SPM. We are voting “negative” on this current ballot for several reasons. While we support moving the process forward to make improvements to the SPM, we believe there are too many unfocused and uncoordinated efforts underway today creating confusion and uncertainty on ultimately where standard development process changes are going. NRECA believes a more focused and collaborative effort, possibly through the SPIG, will lend itself to</p> |

| Organization | Yes or No | Question 7 Comment |
|--------------|-----------|--|
| | | <p>a comprehensive, and not staggered or piecemeal, effort to improve the SPM. NRECA requests that consideration be given to making further revisions to the SPM as identified in our comments below in a future ballot period that is based on such a comprehensive effort. NRECA remains convinced that there is a need for a thorough analysis of the current SPM and standards development activities to clearly identify the areas that require changes to ensure standards are developed in the most efficient and effective manner. This work should be completed as soon as possible regardless of how the SPM work progresses. If the provisions in the current proposed SPM are approved by the industry, the BOT and ultimately FERC, NRECA encourages the SC and SDTs to carefully implement new provisions of the SPM. It is critically important to successful standard development that stakeholder comments are properly considered and clearly responded to, and that the new waiver provisions is utilized in very few and special cases. Specific Comments: Section 3.4 - third paragraph - The reasons that the SC can disband a SDT are quite subjective and if ever used could create unnecessary tension between the SC and stakeholders. There may be relevant reasons why a SDT may not be able to achieve industry consensus or fully address a regulatory directive. NRECA requests that items b and d be deleted. Section 3.6 - first paragraph - While this does not appear to be a proposed revision the current SPM, NRECA does not understand why NERC, and not the SC, selects interpretation drafting team members. NRECA requests that unless there are specific and necessary reasons provided for NERC to have this role, that the SPM be revised to provide this responsibility to the SC. Section 4.1 - several places throughout section - References to “retirement of a Reliability Standard” should also clearly recognize that there could be retirement of one or more requirements of a reliability standard, not always the whole standard. Wherever “Reliability Standard” is mentioned regarding a SAR, the SPM should also recognize that it may not always be a standard, but that it could be a definition. Section 4.1 - seventh paragraph that lists the SC options for decision on a SAR - In the second bullet, if the SC remands a SAR, NRECA believes it should be required to provide a written explanation similar to what is listed in the third bullet. This should be revised in the SPM. Regarding the</p> |

| Organization | Yes or No | Question 7 Comment |
|---|-----------|--|
| | | <p>third bullet, allowing the SC to reject a SAR for “good cause” seems to provide unnecessary flexibility for the SC. NRECA requests that basic high level criteria be developed for the SC to use for rejecting a SAR. Section 4.14 - first paragraph - Towards the end of the paragraph, the word “substantive” is used, but it appears that word should be “significant” in order to work with the language earlier in the paragraph. Section 4.19 - second paragraph - In the second line NRECA is concerned that only the SC or NERC staff is permitted to identify the need to retire a standard. This should be able to be done by anyone - the SC, NERC, REs and stakeholders - that can submit a SAR. Also, there should be recognition that only a requirement of a standard, not only the whole standard, may be requested for retirement. Lastly, the reference to the Bulk Power System should be changed to Bulk Electric System.</p> |
| <p>Response:</p> <p>Thank you for your comments of support. Regarding your particular areas of concern:</p> <p>1) With respect to the comment on section 3.4, although the reasons listed are to some extent subjective, it is important that the SC have flexibility in making this decision. Although as you commented there may be relevant reasons for a SDT not to be able to reach consensus or to fully address a regulatory directive, the inability of the SDT to achieve those critical objectives might still be a sufficient reason for the SC to disband a drafting team. Note that the language is permissive not mandatory, so the SC can use its judgment in such cases to determine whether disbanding a team is the best alternative available. No change made.</p> <p>2) The selection of an interpretation drafting team was not revised in this version of the SPM. While this comment is not in scope for consideration in this version, the issue will be retained for future consideration. [Stacey is researching this to find out the background on why NERC selects Interpretation teams, and not the SC. I know this was a deliberate decision...]</p> <p>3) With regard to the comment regarding the retirement of a requirement as opposed to an entire Standard. We believe that retiring a requirement is clearly a modification of a standard which is already directly addressed by the SPM. Similarly, this same process would also be applicable to retire an individual requirement. No change made.</p> <p>3) The suggestion to recognize definitions, along with standards, is appreciated. The SPM will be edited to acknowledge both Standards and definitions where appropriate.</p> <p>4) We agree with the suggestion to require a written explanation if the SC remands a SAR in Section 4.1. The second bullet point</p> | | |

| Organization | Yes or No | Question 7 Comment |
|---------------------------------------|-----------|---|
| | | <p>will be revised to read: "Remand the SAR back to the requestor or to NERC Reliability Standards Staff for additional work. If the SAR is remanded, the Standards Committee will include a written explanation of what additional work is requested.</p> <p>5) With respect to the comment regarding Section 4.1 and criteria for rejecting a SAR, we believe that in light of the fact that a written explanation of the rejection, coupled with the right to appeal in Section 8, there is a sufficient check on any inappropriate use of this authority. No change made.</p> <p>6) We agree that the term "substantive" in the first paragraph of Section 4.14 seems inconsistent with the usage of the terms "significant" and "insignificant" in the preceding text. However, the word "substantive" appears to be appropriate. Instead, Section 4.14 will be edited to replace the words "significant" and "insignificant" with the words "substantive" and "non-substantive".</p> <p>7) The commenter is correct that anyone is permitted to propose retirement of a standard. The suggested edit is accepted. The words "by the Standards Committee or NERC Staff" will be deleted from Section 4.19.</p> <p>8) With respect to the comment advocating the use of BES in place of BPS, the use of BPS was derived from its use in the statutory authority under which the ERO operates. No change made.</p> |
| <p>Arizona Public Service Company</p> | | <p>In spite of SPIG recommendation to address cost effectiveness in the standard development process (Recommendation 4, bullet item 2), the proposed process does not address this recommendation. This should be one of the prime considerations and should be addressed.</p> |
| | | <p>Response: The SPIG recommendation to address cost effectiveness in the standard development process is being addressed outside of the revisions to the SPM in two ways: 1) In the short term, two standard questions regarding potential costs of a proposed standard are being added to the SAR comment form; 2) in the longer term, the Standards Committee’s Standards Process Subcommittee has developed a “Cost Effectiveness Analysis Procedure” or “CEAP” that has been posted for, and received industry comment. The CEAP is a guideline intended to supplement the standards development process by gathering and reporting high-level cost effectiveness feedback from the industry during standard development without adding significant delay to the development process. The CEAP process will be piloted in the near future on an experimental basis to determine whether it adds value and ensure it does not create undue delay in standards development. It is premature to add the CEAP to the SPM at this time, but the Standards Committee will evaluate the CEAP Pilot and may in the future consider changes to the SPM related to</p> |

| Organization | Yes or No | Question 7 Comment |
|--|-----------|---|
| the CEAP. | | |
| Kansas City Power & Light | | Kansas City Power & Light endorses the comments made by EEI on this subject. |
| Response: Thank you for your comment. | | |
| Edison Electric Institute | | <p>On behalf of our member companies, the Edison Electric Institute (EEI) appreciates the opportunity to provide the following brief comments on the process changes being considered in conjunction with recommendations made by the Standards Process Input Group (SPIG). EEI looks forward to significant process efficiency gains as a result of the full implementation of the SPIG recommendations. Section 16: Waiver Provision This is unnecessary. Full implementation of SPIG recommendations will eliminate need for waiver of any standards development process steps. As a general matter and to correctly align various responsibilities, EEI supports full ownership of the technical content of standards development projects by the various drafting teams and stakeholders through comments and balloting, and process oversight by NERC management. In comments to SPIG, EEI asked that the confusion over process oversight be resolved once and for all. NERC has the responsibility to deliver proposed standards to FERC and should have the tools to ensure timely responses. If problems develop that challenge timely project completion, drafting teams and NERC management need to efficiently resolve the matters. In addition, EEI envisions much stronger and more disciplined process oversight than has been practiced in some projects in the past, which should eliminate the problem. Instead of anticipating such a problem, EEI challenges NERC and all stakeholders to make strong commitments to develop and execute plans that define specific milestones and deadlines that ensure timely development. Waiving process steps for ‘insubstantial’ matters is a slippery slope that NERC should avoid. Moreover, there is case precedent that NERC has filed with FERC various ‘minor modifications’ that were not returned to the standards development process for balloting. The boundary for determining ‘insubstantial’ should be carefully considered and clarified from legal and regulatory perspectives before a final decision is made. Operations Sanctions</p> |

| Organization | Yes or No | Question 7 Comment |
|--------------|-----------|--|
| | | <p>TableAs part of its April 2012 report, SPIG recommended that “redundancies” such as VSLs be eliminated. In response to this recommendation, as part of the Standards Committee Process Subcommittee (SCPS) white paper issued in June, the SCPS agreed with the elimination of VSLs but also suggested the elimination of VRFs from standards in favor of a “sanctions table”. The SCPS proposed that this sanctions table would replace the existing base sanctions table contained in the Compliance Monitoring and Enforcement Program (CMEP) manual.EEI understands that the proposal framed in the NERC process subcommittee ‘white paper’ and the proposed draft process manual to be that VRFs and VSLs would no longer be defined as ‘essential elements’ of a standard, but would remain part of the standard development project. Under the proposed Standards Process Manual, it appears that the drafting team will work with NERC staff in developing a set of VRFs and VSLs that will be subject to a non-binding poll. Ultimately, the VRFs and VSLs will be presented to the Board of Trustees for adoption. On the surface, the draft proposed Standards Process Manual would appear to agree with the underlying process efficiency objective. However, the proposal is confusing for several reasons. First, contrary to the SPIG recommendation to remove only VSLs as redundant and the SCPS recommendation to eliminate both VRFs and VSLs, the proposed Standards Process Manual states that VSLs and VRFs will still be developed, but will be developed in parallel with the drafting team project scope. Thus, this proposal does not appear to create more efficiency. Further, we do not see a clear alternative process proposal for the development of VSLs and VRFs, and it is important to have an understanding of where and how these variables will be defined.Second, SPIG did not recommend the development of a sanctions table. The purpose of these proposed changes is to address SPIGs recommendations, not to confuse and complicate the process by retaining both VSLs and VRFs and adding the new SCPS-proposed sanction table. While we understand that there have been informal discussions on developing such a table, the addition of this material to the SPIG project does not fit with our sense of ‘eliminating redundancies.’ In addition, the white paper seems to conflate the VSL/VRF process issue with the development of the sanctions table. Certainly, SPIG</p> |

| Organization | Yes or No | Question 7 Comment |
|---|-----------|--|
| | | <p>did not recommend the development of a sanctions table. Therefore, because the proposed Standards Process Manual fails to clearly address SPIG’s concerns regarding VSLs, there is a lack of clarity regarding how VSLs and VRFs will be developed and there is uncertainty regarding the sanctions table, EEI recommends that the sanction table not be adopted and the VSLs remain in place until further clarification can be provided by SPIG as to how to address this issue.</p> <p>Handling ‘No’ VotesThe handling of ‘no’ votes is a matter that has attracted significant attention. SPIG recommended that the ballot process should use all votes to establish quorum, and provide options for ‘no’ votes, including changes to the balloting and commenting process that would help useful comments. For example, many comments will briefly state a broad negative comment without showing the specific language of concern, or offering a constructive alternative that the commenter could support.</p> <p>The proposed process change is to disallow simple ‘no’ votes without comments for purposes of determining final ballot counts. EEI does not understand the logic that moves from the SPIG recommendations to the process proposal to disallow simple ‘no’ votes, and cannot support the proposal.</p> <p>We understand that SPIG seeks to move the process in the direction of having the balloting and commenting process to provide as much substantive feedback as possible. Irrelevant comments or negative votes unaccompanied by comments do not offer helpful feedback, however, it should be a relatively simple matter to address such comments very quickly. EEI recommends that appropriate software changes be designed and implemented as soon as possible that will help gather more focused comments. A simple ‘no’ vote should be allowed to count both for determining quorum and final ballot count. Finally, somehow we need to find a way to work around the apparent timing issues for making necessary software changes. This should not be a binding constraint on making these important process changes.</p> |
| <p>Response: Thank you for your comments. 1) Respectfully, we suggest that in order for the ERO model to be successful, NERC must have the ability to meet regulatory</p> | | |

| Organization | Yes or No | Question 7 Comment |
|--------------|-----------|---|
| | | <p>deadlines. Pursuant to section 215(d)(5) of the FPA, the Commission may direct the ERO to submit to the Commission a new or modified Reliability Standard that addresses a specific matter if the Commission considers such a new or modified Standard appropriate to carry out section 215. As the ERO, NERC must be able to comply with a Commission directive pursuant to section 215(d)(5) of the FPA. The Commission has expressed concern that the standard development process can be misused to “delay or block NERC’s ability to report to a Commission directive” <i>See North American Electric Reliability Corp.</i>, 130 FERC ¶ 61,203 at P 23 (2010).</p> <p>The Commission has continuously expressed concern regarding the amount of time it takes to develop a Reliability Standard.</p> <ul style="list-style-type: none"> • <i>See North American Electric Reliability Corp.</i>, 118 FERC ¶ 61,030 at P 31 (2007)(“Both in Order No. 672 and in the <i>Certification Order</i> we expressed concern with the length of time the ERO process takes to develop a Reliability Standard. The ERO has never, to our knowledge, developed a Reliability Standard under its normal process in four months or developed an urgent action Reliability Standard in 60 days.”). • <i>North American Electric Reliability Corp. Reliability Standards Development et al.</i>, 132 FERC ¶ 61,217 (2010)(“In its application for certification as the ERO, NERC indicated that under its usual ANSI-accredited process in effect at the time, a Reliability Standard may be developed in as little as four months, or up to 12 to 15 months for a more complex Standard. However, the NERC analysis submitted in this docket indicates that, in practice, it has taken considerably longer, an average processing time of 21.7 months, to develop Reliability Standards. The average processing time is even longer if ‘urgent action’ Standards are not considered. Given this analysis, the Commission continues to have some concerns regarding NERC’s ability to timely develop Reliability Standards.”)(internal citations omitted). <p>NERC, the Regional Entities and industry stakeholders have a significant mutual investment in developing a sustainable Reliability Standards program that will maintain the reliability of the bulk power system in North America. The success of the unique Electric Reliability Organization (ERO) model requires NERC to develop and maintain a body of high-quality, effective Reliability Standards. The current trajectory is unsustainable and, without considering significant course correction, the ERO and industry finds itself nearing a critical juncture where alternate methods to accomplish the development of mandatory Reliability Standards has become necessary. NERC is at risk of losing the confidence of U.S. and Canadian regulatory authorities and industry executives in its ability to produce standards in a timely and efficient manner.</p> <p>2) The Sanctions Table concept was developed as a replacement to the Penalty Matrix which utilizes the VRFs and VSLs. The SCPS recognized that elimination of the VRFs and VSLs required that a viable alternative be developed to replace the Penalty Matrix.</p> |

| Organization | Yes or No | Question 7 Comment |
|----------------|-----------|--|
| | | <p>Based on the majority of the comments received to the initial posting of the draft process document, the SCPS has re-examined the proposed revisions and concluded that certain aspects of the proposal require additional clarification. Therefore the proposed revisions to eliminate the VRFs and VSLs have been removed from this draft of the proposed SPM revisions. The VRFs and VSLs will continue to be drafted by the SDT and a non-binding poll will continue to be conducted per the SPM.</p> <p>The SCPS will continue to develop the concepts in response to the SPIG recommendations to ease the burden on the SDTs and to provide an opportunity to shorten the development timeframes associated with standard development projects, and will consider suggestions provided in the comments below as part of that consideration. The SCPS will continue to work toward the elimination of the VRFs and the VSLs while further developing the concepts which will allow the ERO enterprise (NERC, Regional Entities and stakeholders) to focus on the potential risk to the reliability of the BES and how to best manage that risk by developing quality results-based Reliability Standards, managing effective Risk-based Compliance Monitoring programs and enforcing standards based on comprehensive risk assessments.</p> <p>3) Participation in the NERC Ballot Pools comes with responsibility to actively participate and be helpful to the process. The value of any comment during the process cannot be underestimated and it is imperative to the NERC Standard Drafting Teams that they know why the entities voted negatively. The drafting teams need this information and the industry needs to be encouraged to provide constructive comments in order to move the standards forward in an efficient manner. The current standards productivity is not meeting the expectations of the regulators and it is important that the drafting teams be given as much information as possible, especially information on why entities voted negatively, to develop standards efficiently and expeditiously. It is burdensome for the drafting teams to continually revise standards to try to gain industry consensus when they don't have all the concerns. The identified shortcomings of the NERC software has been communicated by NERC Standards Committee to NERC staff as suggestions for potential revision to the existing balloting software.</p> |
| Detroit Edison | | <p>On page 7- definition of a Reliability Standard- change the wording of the beginning of the first sentence to read- a document containing one or more requirements to provide for the Reliable Operation of the Bulk Power System. REMOVE the following- 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</p> |

| Organization | Yes or No | Question 7 Comment |
|--|-----------|--|
| | | <p>requirement to enlarge Bulk Power System Facilities or to construct new transmission capacity or generation capacity. Leave the last sentence about FERC approval.</p> |
| <p>Response: The definition of “Reliability Standard” as worded in Section 2.1 is the approved definition that appears in Appendix 2 to the NERC Rules of Procedure, Definitions Used in the Rules of Procedure, which is based on the statutory definition of the term in Section 215 of the Federal Power Act. Accepting the proposed revision to the SPM would create a discrepancy with the approved definition for use in the Rules of Procedure, and will not be adopted. If you believe a change to the defined term is required, please submit a request to change the definition in Appendix 2 of the NERC Rules of Procedure.</p> | | |
| <p>NextEra Energy</p> | | <p>One part of the Standards Development process that needs significant improvement is the options available to the Standards Committee when reviewing a proposed SAR. Currently, the rules related to a SAR, even with the new SPIG language, state that the Standards Committee essentially has only the choice to accept or reject, with some ability to delay for further justification or work. NextEra believes that the Standards Committee should consider a SAR in light of existing or pending Standards Development projects, stakeholder support for the SAR and the new RISC triage group. To implement these options, NextEra requests that pertinent portions of Sections 4.1 and 4.2 be revised to read as follows: Section 4.1 proposed changes: “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: o Accept the SAR. o Accept the SAR with the condition that it be combined with an existing or pending Standards Development project. This action may require that the Standards Committee also authorize increasing the scope of the existing or pending Standards Development project. o Remand the SAR back to the requestor or to NERC Reliability</p> |

| Organization | Yes or No | Question 7 Comment |
|---|-----------|---|
| | | <p>Standards Staff for additional work. o 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. o Delay action on the SAR pending one of the following: (i) development of a technical justification for the proposed project; or (ii) consultation with RISC, the Planning Committee or Operations Committee to determine if there is another approach to addressing the issue raised in the SAR, such as via lessons learned, best practices technical white paper, etc.”Section 4.2 proposed changes:”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. When considering this request, the Standards Committee may take any of the appropriate actions listed in Section 4.1. If stakeholders do not support the project proposed with the SAR, the drafting team shall present its work to the Standards Committee. If the Standards Committee agrees that stakeholder support is lacking, the SAR shall be rejected and the proposed project closed. When there is a question of stakeholder support for a SAR (either from NERC staff or a Standards Committee member), the Standards Committee shall review the record and make a determination. If the determination is that there is no stakeholder support for the SAR, the SAR shall be considered rejected and the proposed project closed.”New language to by-pass SAR process at the end of Section 4.1:”Upon receipt of a rapid revision request, the Standards Committee may authorizing by-passing of the SAR process, provided that the rapid revision request includes specific language to change a Reliability Standard to improve its clarity or a possible incorrect interpretation, and the change shall be supported with legal or technical rationale. If the Standards Committee does not agree that a rapid revision request is appropriately supported by technical or legal rationale, it shall reject the rapid revision request and inform the requester in writing.”</p> |
| <p>Response: The SPSC agrees that SARs should be considered in light of existing or pending projects. The suggested edits to Section</p> | | |

| Organization | Yes or No | Question 7 Comment |
|--|-----------|--|
| <p>4.1 and 4.2 are accepted to add clarity to the process.</p> <p>Regarding the proposed changes to Section 4.2, the Standards Committee is currently exploring whether there should be additional process(es), further guidelines and/or criteria for various Standards Committee decision points within the SPM such as acceptance rejection of a SAR or other drafting team output, when and how to terminate a standards development project, etc. This may be addressed a process documents or guidelines that support, but are not part of the SPM, or may be addressed in future revisions to the SPM. This matter is not ripe for inclusion in the current revision of the SPM; however, your comment is noted and will be considered during the ongoing work of the Standards Committee.</p> <p>With respect to the comment advocating new language to by-pass the SAR process for rapid revision requests, the Standards Committee Process Subcommittee has considered this issue. At this time, we feel that a SAR is necessary to establish the framework of the project and to ensure “scope creep” does not occur.</p> | | |
| Manitoba Hydro | | <p>Overall, it is still not clear to us that these revisions have addressed SPIG recommendations #4 and #5. Section 2.5: Requires revision if it is to apply to jurisdictions outside of the United States. The reference to the term “Compliance Enforcement Authority” should be revised to refer to the entity that is responsible for monitoring performance and/or determining if an entity is compliant with the associated Reliability Standard. A similar revision needs to be made to the next sentence (by changing “and” to “and/or”) as neither NERC nor Regional Entities determine compliance in Canadian jurisdictions. Section 3.7: “Canadian National Energy Board” should be renamed “National Energy Board of Canada”. Section 4.9: Given that NERC is an international organization, this section should refer to both U.S. and Canadian holidays in considering the ballot window. Section 4.19: The reference to “FERC” in the first sentence should be replaced with “Applicable Governmental Authorities”. The term “applicable governmental authority/ies” should be capitalized throughout, as it is a defined term.</p> |
| <p>Response: Regarding Section 2.5, the term “Compliance Enforcement Authority” in this section of the SPM aligns with the defined term that appears in Appendix 2 to the NERC Rules of Procedure, Definitions Used in the Rules of Procedure. Accepting the proposed revision to the SPM would create a discrepancy with the approved definition for use in the Rules of Procedure, and will not be adopted. If you believe a change to the defined term is required, please submit a request to change the definition in</p> | | |

| Organization | Yes or No | Question 7 Comment |
|--|-----------|---|
| <p>Appendix 2 of the NERC Rules of Procedure.</p> <p>Regarding Section 3.7, the proposed edit is accepted. The language will be changed to “National Energy Board of Canada.”</p> <p>Regarding Section 4.9, the reference to federally-recognized United States Holidays is intended to acknowledge that NERC’s offices that accept and process ballot submissions, which are located in the United States, are not open on these dates. While the Standards Committee and NERC staff make every consideration possible to posting conflicts, the Standards Committee did not feel it was necessary to codify this in the SPM. Since there are several representatives on the Standards Committee from Canadian entities, they can help ensure the other members are aware of Canadian-specific conflicts of any nature. No change made.</p> <p>Regarding Section 4.19, the proposed edits are accepted. “FERC” will be replaced with “Applicable Governmental Authorities”. The term “Applicable Governmental Authorities” will be capitalized throughout the document as a defined term.</p> | | |
| PacifiCorp | | <p>PacifiCorp believes that further contracting the limited time that the industry already has to review, evaluate, and comment on new or revised reliability standards does not adequately address the challenges associated with reaching timely stakeholder consensus. Rather than focusing on the small window of opportunity that the industry has to provide input into the process, attempts should be made to curtail the amount of time it takes for standards to be processed by the drafting committees.</p> |
| <p>Response: Thank you for your comment. The NERC Standards department has recently undergone reorganization with the intent to shift a substantial amount of their focus from process to product. One of their primary goals is to facilitate more work in between drafting team meetings, thereby increasing the team’s pace and output.</p> | | |
| Pepco Holdings Inc | | <p>PHI supports the proposed draft of the SPM.</p> |
| <p>Response: Thank you for your comment.</p> | | |
| FirstEnergy | | <p>Recommendation #5 states that in part "Formal and consistent project management".FE agrees that this is the key to an efficient process and the NERC Staff will improve. but it is not clear in the SPM as to how this will be accomplished? Will there be specific project management tools provide to NERC Staff?FE believes that in Section 2.5 Elements of a Reliability Standard should include as on one the</p> |

| Organization | Yes or No | Question 7 Comment |
|--|-----------|---|
| | | <p>components the Version History of a Standard. This would be useful information for determining the changes/revision between versions of a standard.</p> |
| <p>Response: NERC has announced several steps to improve its project management capabilities including a reorganization of that area. Changes in the guidelines for SDTs have also been made to better define the roles of the chair and NERC staff in the process. The SCPS believes that inclusion of such detailed information in the SPM is inadvisable because it would limit the flexibility of NERC, the Standards Committee and the industry in continuing to tune the process to improve its efficiency and flexibility. No change made.</p> <p>The recommended edit to Section 2.5 is accepted. In practice, all standards currently include the version history, thus it is useful to indicate in the SPM that version history is a component of a standard.</p> | | |
| Southern Company | | <p>Southern Company supports the Standards Process Input Group (SPIG) Recommendations and the Standards Committee’s efforts to incorporate into the SPM various revisions proposed by the SPIG and the Standards Committee Process Subcommittee (SCPS). We have reviewed two versions of SPM Revisions and noted where the Standards Committee has given careful consideration to formal comments from industry. We are however concerned that there are several key and significant changes poised for implementation and that at this juncture, incremental steps are necessary to ensure that NERC and stakeholders achieve the desired results. Our comments cover several proposed changes to the SPM and are indicative of the fact that it is critical that all stakeholders understand what effect the revisions will have on the processes throughout the ERO enterprise and not just to those described within the Manual. We appreciate your consideration of our comments. The currently effective SPM (and the proposed draft SPM) does not demonstrate how, if invoked, Rule 321 would be implemented. The draft SPM only mentions Rule 321 in the context of a Reliability Standard’s ability to be enforced for compliance purposes (see draft Section 4.17: Compliance). We raise this concern - that the Standards Committee should address how this rarely used, but nonetheless important rule would be implemented - as a matter which is separate and apart from the concerns expressed with the new waiver or deletion of the expedited process. The draft SPM</p> |

| Organization | Yes or No | Question 7 Comment |
|--------------|-----------|---|
| | | <p>(including the waiver provision) does not maintain certain key aspects of the expedited process. More specifically, the current SPM explains how an “expedited” standard could either be made permanent, or routed through the regular process, or withdrawn. This explanation was spelled out in the now-deleted ‘Expedited’ process section and should be restored. The Standards Committee should clarify its procedures for disbanding a drafting team and which subsequent activities the Committee will take to efficiently advance the work effort into the next developmental phase. The proposed revisions do not demonstrate that adequate procedures will be in place to ensure that appropriate checks and balances are applied to both the Standards Committee and any subsequent committee or team that may be tasked with the work effort. More specifically, the revised SPM does not explain if it must provide any notice to the Board of Trustees prior to taking such action or after it has already disbanded the drafting team. Also, the SPM does not indicate if the reason for disbanding the team correlates to invocation of a specific rule (e.g. Rule 321). Finally, the SPM does not discuss what level of review will be undertaken to assess whether or not the subject work effort should proceed. In other words, it is not clear if the Standards Committee will conduct a threshold assessment of whether or not the disbanded team and work effort is still required to address an outstanding reliability issue. At the Introduction Section (and at Section 4.10), the draft SPM should be clarified to avoid any confusion over the summation of the number of votes cast for approval of a proposed Reliability Standard, definition, Variance, or Interpretation. The draft language is silent with respect to affirmative votes without comments. The draft language is as follows: “A two-thirds majority of the weighted Segment votes cast shall be affirmative. The number of votes cast is the sum of affirmative and negative votes with comments, excluding abstentions, non-responses, and negative votes without comments.” Either of the following revisions may alleviate the concern. Option A - “A two-thirds majority of the weighted Segment votes cast shall be affirmative. The number of votes cast is the sum of all affirmative votes and all negative votes with comments, excluding abstentions, non-responses, and negative votes without comments.” Option B - “A two-thirds majority</p> |

| Organization | Yes or No | Question 7 Comment |
|--------------|-----------|---|
| | | <p>of the weighted Segment votes cast shall be affirmative. The number of votes cast is the sum of negative votes with comments, affirmative votes with or without comments, excluding abstentions, non-responses, and negative votes without comments.” At Section 2.1: Definition of a Reliability Standard, the following phrase provides key reference information about the definition’s placement in the Rules of Procedure but the reference should be incorporated as a footnote. “See Appendix 2 to the NERC Rules of Procedure, Definitions Used in the Rules of Procedure.”At Section 2.5: Elements of a Reliability Standard, the phrase below creates ambiguity over what are (or are not) components of a Reliability Standard. “The components of a Reliability Standard may include the following:...” It seems more appropriate to use more definitive language such as “...shall include...” These modifications clarify the elements of a Reliability Standard. Other comments to this revision suggest that footnote 4 be deleted as a means to mitigate misunderstanding over the stakeholder’s role in development of VRFs and VSLs.The Standards Committee should revisit certain section and subsection titles. The main section title and subsection title should not be identical (refer to Section 2.0 and Subsection 2.5).Certain modifications at Section 3.6: Drafting Teams will clarify the flexibility allowed in the formation of drafting teams constituted for the various purposes described in the first paragraph of this section. More specifically, the addition of the phrase “as deemed appropriate” throughout the paragraph will establish flexibility for the Standards Committee and NERC Reliability Standards Staff. It may be necessary to make corresponding modifications to Section 4.3 of the SPM and to the Drafting Team Guidelines mentioned in footnote 12.At Section 4, Figure 1, Quality Review was removed from Step 4 and added to Step 3. This implies that the only opportunity for a Quality Review is at the initial posting prior to collecting informal feedback. Is this correct? Also, the revised illustration consolidates comment period and ballot “iterations” where the steps may be repeated multiple times (as required). We note that the consolidated steps do not include a Quality Review. We are not certain if the exclusion is a simple oversight in the drafting process. At Section 4.1: Posting and Collecting Information on SARs, Paragraph 3, it is not clear what constitutes</p> |

| Organization | Yes or No | Question 7 Comment |
|--|-----------|---|
| | | <p>“substantially revised” Reliability Standards. This should be clarified or addressed in some manner. The third paragraph at Section 4.3: Form Drafting Team, should be made consistent with section ## in that both are consistent with respect to the availability and inclusion of legal and compliance resources. Also, prior comments at Section 3.6 suggest that modifications are helpful for ensuring consistency and flexibility in constituting drafting teams. See prior comments at the Introduction section for modifications which address summation of the consensus vote.</p> |
| <p>Response: Thank you for your comments of support. Regarding your particular areas of concern:</p> <p>1) We feel that the inclusion in the SPM of how Rule 321 may be invoked is out of scope at this time. Furthermore, we do not believe that such clarification would contribute to the overall improvement of the SPM, nor addresses a SPIG recommendation. No change made.</p> <p>2) Certain aspects of the former expedited process were not ANSI requirements and were intentionally removed. In particular, the requirement to revisit a standard developed under the expedited process was creating additional work for the industry, when those resources could instead be dedicated to other efforts.</p> <p>3) To clarify, under the SPM as proposed, the Board would not have to be notified prior to disbanding a drafting team. The SC is responsible for managing drafting teams. The Standards Committee is currently exploring whether there should be additional process(es), further guidelines and/or criteria for various Standards Committee decision points within the SPM such as acceptance rejection of a SAR or other drafting team output, when and how to terminate a standards development project, etc. This may be addressed a process documents or guidelines that support, but are not part of the SPM, or may be addressed in future revisions to the SPM. This matter is not ripe for inclusion in the current revision of the SPM; however, your comment is noted and will be considered during the ongoing work of the Standards Committee.</p> <p>4) The Standards Committee is currently exploring whether there should be additional process(es), further guidelines and/or criteria for various Standards Committee decision points within the SPM such as acceptance rejection of a SAR or other drafting team output, when and how to terminate a standards development project, etc. This may be addressed a process documents or guidelines that support, but are not part of the SPM, or may be addressed in future revisions to the SPM. This matter is not ripe for inclusion in the current revision of the SPM; however, your comment is noted and will be considered during the ongoing work of the Standards Committee.</p> <p>5) We agree with your comment regarding necessary modifications in the Introduction Section and Section 4.10 to better clarify</p> | | |

| Organization | Yes or No | Question 7 Comment |
|--------------|-----------|---|
| | | <p>what votes are counted to determine approval. Clarifying changes have been made.</p> <p>6) Regarding Section 2.1, thank you for your editorial comment; however, the SCPS does not believe it is necessary to move the reference to the Rules of Procedure to a footnote at this time.</p> <p>7) FERC has held that only the Requirements and Applicability components of a standard are enforceable. While not required, the other components of a Reliability Standard listed in Section 2.5 are important for a complete understanding of the standard. To make clear that all of the listed components should be included in a draft standard without suggesting that they are all "required", Section 2.5 will be edited to remove the word "may". The phrase will read as follows: "The Components of a Reliability Standard include the following. . ."</p> <p>8) Footnote 5 (Previously Footnote 4) has been revised to address the commenters concern as follows:</p> <p>⁵It is the responsibility of the ERO staff to develop compliance elements for each standard; these elements are not technically part of the standard but are included in the standard and referenced in this manual because the preferred approach to developing these elements is to use a transparent process that leverages the technical and practical expertise of the drafting team and ballot pool. If directed by FERC, NERC may file revisions to compliance elements following approval of the NERC Board of Trustees.</p> <p>9) Thank you for your editorial comment; however, the SCPS does not believe it is necessary to alter the section and subsection headings at this time. The section and subsection numbers provide adequate clarity.</p> <p>10) With respect to your comment on section 3.6, we feel the language is adequate. Additional softening of the language, as suggested, might lead to a perception that appointing a drafting team is entirely optional. No change made.</p> <p>11) The intent of the proposed changes to Section 4.6 of the SPM was to expand the ability to conduct quality review in parallel with the standards development process and to allow flexibility to conduct quality review multiple times as the standard continues to develop. This may not be accurately reflected in Section 4's Figure 1. Figure 1 will be modified to make clear that quality review may begin at stage three, but may continue as needed during the remainder of the project.</p> <p>12) With respect to your comment on the subjectivity of the addition of the words "or substantially revised" to describe SARs for which technical justification is required, we agree that the term is subjective; however, we don't feel that it is possible at this time to adequately define hard criteria to define modifications to standards that are substantial enough to require technical justification. At this point in time we believe the best course is to provide the SC with the flexibility to make that decision, subject of course to the appeals process provided in Section 8. The following clarifying modifications have been made to the 3rd paragraph: a) added "or substantially revised" after "new" in the second paragraph, and b) clarified that the SC makes the</p> |

| Organization | Yes or No | Question 7 Comment |
|--|-----------|--|
| <p>determination.</p> <p>13) The suggested edit to Section 4.3 is accepted. A sentence indicating that the team will also be supplemented with legal and compliance resources will be added.</p> | | |
| Tacoma Power | | Tacoma Power does not have any additional comments at this time. We thank you for the opportunity to provide comments and your consideration of our comments. |
| <p>Response: Thank you for your comment.</p> | | |
| Exelon Corporation and its affiliates | | <p>Thank you for the opportunity to comment on the SPM revisions. Exelon voted affirmatively in the ballot, though as indicated by the comments, concerns remain over the revisions. Exelon’s affirmative position comes from a strong desire to support the efforts of the Standards Committee and to support the pursuit of improvement to the standards development process. Exelon recognizes that some of the proposed revisions are positive:</p> <ul style="list-style-type: none"> o Professional personnel - The revised language states the inclusion of technical writers, legal, compliance and facilitation support personnel. While this change in practice may have been available without the language revision, it did not occur in practice and the formal commitment to is a positive step. o Quality Review - Enabling quality reviews to occur throughout the process rather than at the end is a worthwhile flexibility so long as the SC procedure is not overly cumbersome and that other requirements for in process QR do not get in the way of standard development progress. o SAR Remand - The revisions make a process improvement to allow the SC to remand a SAR to either Staff or the requestor. These are good housekeeping improvements. However, Exelon has concerns in addition to those noted in the other questions above: o Better front end analysis - A key point raised through the SPIG evaluation process and in the comments was the need for better front end analysis. Deploying more robust input in creating the project details (scope, problem statement, foundational analysis, etc.) on which a standard project should begin could pre-empt confusion about the project objectives and avoid mission creep. A clear mission at the start saves time on |

| Organization | Yes or No | Question 7 Comment |
|--------------|-----------|---|
| | | <p>development. There is no change made to improve front end quality of the standard project foundations. o Role of Technical Committees - Another recommendation was for better utilization of the technical committees in the standards development process. The Standards Committee is limited to non-technical evaluations of technically dense standards projects. The revisions include no effective change for the role of technical committees. o Role of the RSDP - The revisions tie the SPM closely to the Reliability Standards Development Plan (RSDP). It's not clear that the plan development process is sufficient to support this strong of a tie. The RSDP process may need notable revision to be effective. As well, the RSDP may need coordination with the RISC efforts. The critical, overarching concern is that multiple efforts are underway related to standards development process improvements. This piecemeal approach risks creating more problems than improvements. In addition to the proposed SPM revisions the following other activities are underway: o The RISC is just beginning to formulate its functions both overall and in relation to standards development and the Standards Committee. o In August, the BOT tasked the SPIG to perform a phase 2 project on standards development. o In late August, NERC reconstituted the Standards and Compliance department staff with a fresh slate of employees new to NERC standards development. o At the October SC meeting, the SC added to its work development of a Standard Committee Strategic Plan and a work plan. SPM revisions are only one component of the many changes around standards development under consideration. It is more efficient to coordinate all the efforts into a single, comprehensive revision to be implemented once. In addition, while the amount of time it takes to develop a standard is cited as the primary aspect in need of improvement this approach fails to recognize that not all standards projects are the same (some will and should take more time than others) and quality should never be sacrificed for timeliness. Finally, by focusing on changing the SPM process, the SC misses the opportunity to recognize that it's not necessarily the process that is problematic, but how the projects are managed (and in ways mismanaged). There are many different ways to develop a standard under the same process. No doubt there is room for improvement in the process, in particular if</p> |

| Organization | Yes or No | Question 7 Comment |
|---|-----------|--|
| | | <p>impediments exist that prevent efficiencies. However, in evaluating and revising the process without considering the implementation of the process, the improvement results may be limited. You may find that the revisions do not achieve the desired goal because they do not go to the root cause for the delays. While Exelon voted affirmatively in the ballot, the strong preference is that the SC work with the SPIG to consider SPM revisions as a piece of the other potential standards development revisions under consideration.</p> |
| <p>Response:</p> <p>Thank you for your comments of support. Regarding your particular areas of concern:</p> <p>1) Regarding your comment on better front end analysis - Many of the proposed modifications to the SPM were made to encourage more front end analysis and consensus building. (Such as more informal commenting, technical support, etc.) However, we agree more improvements should be made. The Standards Committee is currently exploring additional enhancements in this area. This may be addressed in either a process document that supports, but is not part of the SPM, or may be addressed in future revisions to the SPM. This matter is not ripe for inclusion in the current revision of the SPM; however, your comment is noted and will be considered during the ongoing work of the Standards Committee.</p> <p>2) The SPM currently contemplates utilization of the technical committees in various steps. No additional changes in this version are planned. However, a change in how the SPM is utilized is where further improvements will be seen.</p> <p>3) Regarding the role of the RSDP, we feel that the current RSDP process is sufficient. However, the extent to which the Standards Committee utilizes this process should be re-evaluated. No changes to the SPM are being made at this time, but this issue will be considered by the Process Subcommittee.</p> <p>4) With respect to your comment regarding multiple efforts we agree that coordination of efforts is important to the success of the process and the SCPS is very supportive of improved coordination of the various initiatives you mentioned. However, at the same time we are obligated to respond to the clear and unambiguous direction of the SC and the NERC Board to move forward with the proposed revisions as quickly and efficiently as possible. Note that additional revisions will likely be made and that in all cases the SCPS is committed to coordinating with all affected groups.</p> <p>5) With respect to your comment that the focus should not be on changing the SPM process, please note that the proposed revisions are only one aspect of the changes being made. NERC staff are separately pursuing improvements to project</p> | | |

| Organization | Yes or No | Question 7 Comment |
|---|-----------|---|
| <p>management. In addition, the Standards Committee and the Process Subcommittee are currently exploring new or modifications to existing “implementing” processes and procedures to find better ways to manage the projects and teams. Your comment is noted and will be considered during the ongoing work of the Standards Committee and Process Subcommittee.</p> <p>6) With respect to your comment that the SC should work with the SPIG to consider SPM revisions as a piece of the other potential standards development revisions under consideration, we can confirm that this is already being done. Note as an example, the CEAP cost effectiveness initiative that is being undertaken outside of the SPM.</p> | | |
| <p>The United Illuminating Company</p> | | <p>The discrepancy between the ROP Section 309 requirement for an expedited action procedures and the SPM removal of the Expedited Standard Development Process section should be resolved or explained prior to approving the SPM. The ROP and the history of the SPM make clear that an Expedited Standard Development Process was required at the time of SPM drafting. Section 309 is titled Directives to Develop Reliability Standards under Extraordinary Circumstances; it is not just a Directive to develop a Standard but a Directive issued under extraordinary circumstance. A process to waive portions of the normal standard development process is not the same thing as establishing a process to expedite standards during extraordinary circumstance. Either the ROP requires modification to remove the use of an expedited standards development process, or the section titled waivers needs to incorporate explicitly a reference to an expedited standards development process, or the expedited section not deleted. UI suggests that the Expedited Section not be deleted but that it is repurposed to meet its true intent of Extraordinary Circumstances where the BOT approves development of a Standard to be effective until a=the ANSI process can be completed. In this manner the ROP does not require modification, the proposed section 16 can be established to improve efficiencies, and the extraordinary circumstance can be retained.</p> |
| <p>Response: Thank you for your comments. As you note, Section 16.0 is very similar to the currently –effective Standard Processes Manual section of the Expedited Reliability Standard Development Process. However, a Standard developed using the Expedited Reliability Standard Development Process is approved only on a conditional basis and it must <i>again</i> go through the standard</p> | | |

| Organization | Yes or No | Question 7 Comment |
|--|-----------|--|
| | | <p>development process in order to be made permanent. The Expedited Reliability Standard Development Process provides:</p> <p>If a new or modified Reliability Standard is developed, approved by its ballot pool, and subsequently adopted by the NERC Board of Trustees through this expedited process, one of the following three actions shall occur [fn27]:</p> <ul style="list-style-type: none"> • If the Reliability Standard is to be made permanent without additional substantive changes, then a SAR and a proposed Reliability Standard shall be submitted to the Reliability Standards staff immediately after the ballot. The project shall be added to the list of approved projects and shall proceed through the regular standard development process, including balloting by stakeholders, without any intentional delay. • If the Reliability Standard is to be substantively revised or replaced by a new Reliability Standard, then a project for the new or revised Reliability Standard shall be added to the list of projects to be added to the Reliability Standard Development Plan. The project shall be initiated as soon as practical after the ballot and the project shall proceed through the regular Reliability Standard development process, including balloting by stakeholders, as soon as practical but within two years of the date the Reliability Standard was approved by stakeholders using the expedited process. • The Reliability Standard shall be withdrawn through a ballot of the stakeholders within two years of the date the Reliability Standard was approved by stakeholders using the expedited process. <p>This is clearly redundant and a waste of resources for NERC, the industry and the drafting team. Rather than repeating the standard development process, Section 16.0 would allow a Reliability Standard to become “permanent” upon stakeholder approval.</p> |
| WECC | | <p>the latest redline includes the deletion of the last paragraph in section 4.11. It appears that the last paragraph in section 4.11 should be retained.</p> |
| | | <p>Response: Section 4.11 was changed and limited to Voting Positions, and as such this paragraph deletion was intentional. The parts intended to remain were moved to Section 4.10. No change made.</p> |
| PPL Corporation NERC Registered Affiliates | | <p>The PPL Companies believe that there should be a limit on the number of Additional Ballots that are required/can be performed, so that the Industry has an opportunity to appropriately affect the outcome of a Standards project through a rebalot. Alternatively, there could be a procedural mechanism that would allow the industry to ‘finalize’ its rejection of a Standard or the need for a Standard. Section 1.4 - Under</p> |

| Organization | Yes or No | Question 7 Comment |
|--|-----------|---|
| | | <p>Balance bullet it indicates “[t]he Registered Ballot Body serves as the consensus body voting to approve each new or proposed Reliability Standard, definition, Variance, and Interpretation.” Suggest this be changed to “approve or reject”. Also suggest adding a statement that they approve or reject retirement of a Reliability Standard, definition, Variance, and Interpretation. The PPL Companies support the changes the drafting team is making and believes that the changes will help the Standards drafting process. The drafting team has made excellent progress in refining the drafting process based upon the SPIG recommendations. In fact, the PPL Companies are committed to voting Affirmative to proposed changes that include the suggestions we have made in these comments.</p> |
| <p>Response: Thank you for your support.</p> <p>Regarding the comment to limit the number of ballots, an intentional decision was made not to put an arbitrary limitation in place. While it might be clear in some cases after one or two ballots whether a standard is going to be successful, in other cases it may take much longer for consensus to arise. We believe this issue is better handled by the authority the SC has to terminate a project if it does not believe consensus can be achieved. An arbitrary limit could require a project to be restarted just as consensus is about to be reached.</p> <p>The Standards Committee is currently exploring whether there should be additional process(es), further guidelines and/or criteria for various Standards Committee decision points within the SPM such as acceptance rejection of a SAR or other drafting team output, when and how to terminate a standards development project, etc. This may be addressed a process documents or guidelines that support, but are not part of the SPM, or may be addressed in future revisions to the SPM. This matter is not ripe for inclusion in the current revision of the SPM; however, your comment is noted and will be considered during the ongoing work of the Standards Committee.</p> | | |
| <p>SERC Planning Standards Subcommittee</p> | | <p>The present SPM has an “expedited standards development process” that was stricken. However, the ROP section 300 (Reliability Standards Development) requires that process. The SPM should retain that; without it in the SPM, NERC cannot respond to a request from a governmental authority for expedited development of a standard. The SPM therefore needs to retain that procedure, unless the SPM procedure is waived. If this provision were reinstated, the use of a waiver process</p> |

| Organization | Yes or No | Question 7 Comment |
|---|-----------|---|
| | | <p>would be minimized since the expedited process would be a provision of the SPM. The comments expressed herein represent a consensus of the views of the above-named members of the SERC EC Planning Standards Subcommittee only and should not be construed as the position of SERC Reliability Corporation, its board, or its officers.</p> |
| <p>Response: Thank you for your comments. As you note, Section 16.0 is very similar to the currently –effective Standard Processes Manual section of the Expedited Reliability Standard Development Process. However, a Standard developed using the Expedited Reliability Standard Development Process is approved only on a conditional basis and it must <i>again</i> go through the standard development process in order to be made permanent. The Expedited Reliability Standard Development Process provides:</p> <p>If a new or modified Reliability Standard is developed, approved by its ballot pool, and subsequently adopted by the NERC Board of Trustees through this expedited process, one of the following three actions shall occur [fn27]:</p> <ul style="list-style-type: none"> • If the Reliability Standard is to be made permanent without additional substantive changes, then a SAR and a proposed Reliability Standard shall be submitted to the Reliability Standards staff immediately after the ballot. The project shall be added to the list of approved projects and shall proceed through the regular standard development process, including balloting by stakeholders, without any intentional delay. • If the Reliability Standard is to be substantively revised or replaced by a new Reliability Standard, then a project for the new or revised Reliability Standard shall be added to the list of projects to be added to the Reliability Standard Development Plan. The project shall be initiated as soon as practical after the ballot and the project shall proceed through the regular Reliability Standard development process, including balloting by stakeholders, as soon as practical but within two years of the date the Reliability Standard was approved by stakeholders using the expedited process. • The Reliability Standard shall be withdrawn through a ballot of the stakeholders within two years of the date the Reliability Standard was approved by stakeholders using the expedited process. <p>This is clearly redundant and a waste of resources for NERC, the industry and the drafting team. Rather than repeating the standard development process, Section 16.0 would allow a Reliability Standard to become “permanent” upon stakeholder approval.</p> | | |
| Georgia System Operations Corporation | | <p>The Quality Review processes are not well defined. There is still confusion with respect to the VRFs and VSLs in the document and if they are or are not applicable. There is still confusion on how the RSAWs are a component of the SPDM</p> |

| Organization | Yes or No | Question 7 Comment |
|---|-----------|---|
| | | <p>and whether or not due process is applicable to the RSAWs. The Waivers portion of the SPDM does not seem to be open, transparent nor provide an opportunity for public comment nor due process in developing a Reliability Standard. The SPDM does not give a clear explanation of when and how registered entities comments are consistently addressed when submitted. The timing aspects of Additional Balloting are unclear. The Interpretations language of the SPDM has undergone significant changes and industry participation is not clearly defined and seems to be limited affecting due process. Eliminating Measures is not good unless they can be moved to the RSAWs and then the industry has the right to approve the Measures. The unofficial comment form does not adequately represent the language in the SPDM. It is paraphrased in certain cases and does not adequately represent the language in the SPDM. Some of the concepts in the proposed SPDM are good but NERC needs to have a workshop on this exercise and produce a quality document for such an important component of the ERO responsibilities.</p> |
| <p>Response: Thank you for your comments.</p> <p>1) Based on the majority of the comments received to the previous posting, the SCPS has re-examined the proposed revisions and concluded that certain aspects of the proposal require additional clarification. Therefore the proposed revisions to eliminate the VRFs and VSLs have been removed from this draft of the proposed SPM revisions. The VRFs and VSLs will continue to be drafted by the SDT and a non-binding poll will continue to be conducted per the SPM.</p> <p>The SCPS will continue to develop the concepts in response to the SPIG recommendations to ease the burden on the SDTs and to provide an opportunity to shorten the development timeframes associated with standard development projects. The SCPS will continue to work toward the elimination of the VRFs and the VSLs while further developing the concepts which will allow the ERO enterprise (NERC, Regional Entities and stakeholders) to focus on the potential risk to the reliability of the BES and how to best manage that risk by developing quality results-based Reliability Standards, managing effective Risk-based Compliance Monitoring programs and enforcing standards based on comprehensive risk assessments.</p> <p>2) The new process will have the SDT and compliance staff working collaboratively to develop the RSAW at the same time the standard is being developed to ensure the intent of the SDT is accurately reflected in the RSAW. The RSAW will be posted for industry review and comment along with the reliability standard during the final 45 day comment/ballot period. The new process</p> | | |

| Organization | Yes or No | Question 7 Comment |
|-----------------|-----------|--|
| | | <p>will also include a non-binding poll of the ballot pool to help gauge industry support of the RSAW similar to what is done for VRFs and VSLs today. The final RSAW will be presented to the BOT for information as part of the package that includes the approved reliability standard, the implementation plan, and the RSAW.</p> <p>While the SCPS recognizes that the measures provide a level of certainty in regards to compliance obligations we do not agree that the industry is required to have the decision making authority on content of the measures. The measures are not enforceable and are therefore are not required to reside within the Reliability Standard. The Commission has acknowledged that it is in NERC's discretion whether to provide Measures for the Requirements of a Reliability Standard. See e.g., Mandatory Reliability Standards for the Bulk-Power System, 118 FERC 61,218 at P 253 (2007)(<i>"The Commission disagrees with commenters that a Reliability Standard cannot reasonably be enforced, or is otherwise not just and reasonable, solely because it does not include Measures and Levels of Non-Compliance. The Commission adopts the position it took in the NOPR that, while Measures and Levels of Non-Compliance provide useful guidance to the industry, compliance will in all cases be measured by determining whether a party met or failed to meet the Requirement given the specific facts and circumstances of its use, ownership or operation of the Bulk-Power System. As we explained in the NOPR, and reiterate here: 'The most critical element of a Reliability Standard is the Requirements.'"</i>)</p> <p>3) In order to address your concern regarding notice to stakeholders for use of the Section 16.0 waiver, the concept of a notice period for stakeholders prior to consideration of a waiver request by the Standards Committee has been incorporated.</p> <p>4) The changes to the Interpretations process have been implemented in order to clarify the basis and process for rejecting an interpretation, consistent with guidance issued by the NERC Board of Trustees in November 2009. Interpretations are balloted in the same manner as Reliability Standards, and through this mechanism registered entities are very much a part of the interpretation process.</p> <p>5) To the extent the changes are paraphrased in the comment form, the exact changes to the SPM are posted and available to all commenters. The Standards Committee's Communications and Planning Subcommittee will likely hold workshops and distribute information regarding implementation of changes to the SMP after the final version is approved.</p> |
| Tri-State G & T | | <p>There is inconsistency on who the drafting team works with to develop the RSAW. Section 3.6 states that the drafting team "(w)orks collaboratively with NERC Compliance Staff to develop Reliability Standard Audit Worksheets ("RSAWs") at the same time Reliability Standards are developed." But section 3.10 states that "Compliance Monitoring and Enforcement Staff are responsible for the development</p> |

| Organization | Yes or No | Question 7 Comment |
|---|-----------|---|
| | | <p>of RSAWs.” While this may indicate the same NERC staff, we believe that the language should be consistent.If voting “Negative without comment” is not possible (Section 4.11), then that exclusion from calculation of the consensus should be removed.</p> |
| <p>Response: The new process will have the SDT and compliance staff working collaboratively to develop the RSAW at the same time the standard is being developed to ensure the intent of the SDT is accurately reflected in the RSAW. The RSAW will be posted for industry review and comment along with the reliability standard during the final 45 day comment/ballot period. The new process will also include a non-binding poll of the ballot pool to help gauge industry support of the RSAW similar to what is done for VRFs and VSLs today. The final RSAW will be presented to the BOT for information as part of the package that includes the approved reliability standard, the implementation plan, and the RSAW.</p> <p>The SPM will be revised to eliminate the inconsistencies associated with NERC Compliance staff involvement with the development of RSAWs.</p> <p>Participation in the NERC Ballot Pools comes with responsibility to participate and be helpful to the process. The value of any comment during the process cannot be underestimated and it is imperative to the NERC Standard Drafting Teams that they know why the entities voted negatively. The drafting teams needs this information and the industry needs to be encouraged to provide constructive comments in order to move the standards forward in an efficient manner.</p> | | |
| Duke Energy | | <p>There needs to be clarity on what is actually being balloted and adopted by the Board of Trustees. Section 2.5 Elements of a Reliability Standard or section 4.9 Conduct Ballot and Non-binding Poll of VRFs and VSLs would seem to be logical places for this clarity. Are the Compliance Elements subject to ballot and adoption? Would they need to be balloted and adopted again if changed? As stated previously, Measures should be retained and should be balloted and adopted.</p> |
| <p>Response: While the SCPS recognizes that the measures provide a level of certainty in regards to compliance obligations we do not agree that the industry is required to have the decision making authority on content of the measures. The measures are not enforceable and are therefore are not required to reside within the Reliability Standard. The Commission has acknowledged that it is in NERC's discretion whether to provide Measures for the Requirements of a Reliability Standard. See e.g., Mandatory Reliability Standards for the Bulk-Power System, 118 FERC 61,218 at P 253 (2007)(<i>"The Commission disagrees with commenters that a</i></p> | | |

| Organization | Yes or No | Question 7 Comment |
|---|-----------|--|
| <p><i>Reliability Standard cannot reasonably be enforced, or is otherwise not just and reasonable, solely because it does not include Measures and Levels of Non-Compliance. The Commission adopts the position it took in the NOPR that, while Measures and Levels of Non-Compliance provide useful guidance to the industry, compliance will in all cases be measured by determining whether a party met or failed to meet the Requirement given the specific facts and circumstances of its use, ownership or operation of the Bulk-Power System. As we explained in the NOPR, and reiterate here: 'The most critical element of a Reliability Standard is the Requirements.')</i></p> | | |
| Independent Electricity System Operator | | Typo: In section 5.2 in the redline SPM version, somewhere in the middle of the first sentence should read "... and a quality review..." |
| <p>Response: There does not appear to be a typo, as multiple quality reviews may occur.</p> | | |
| Ameren | | We are ok with having a legal review up front to develop a clear and unambiguous standard. However, we are not sure if the proposal implies one lawyer for each SDT as a member of the team or is this referring to one or two lawyers to be available to all the SDTs working in parallel and provide a review when the draft standard is approaching the final quality review of a standard. |
| <p>Response: The proposed revision to Section 3.6 states that each drafting team "may" consist of a group of technical, legal, and compliance experts that work cooperatively with the support of the NERC Reliability Staff". There is no requirement for a specific number of attorneys. This language gives the Standards Committee flexibility to staff each standards development team with a mix of members that is appropriate to the particular project, including lawyers. The language indicates that the team will work cooperatively; this would include any lawyers who were appointed as members of the team. The Standard Committee's Standards Process Subcommittee is developing a guidance document for quality review that may better define the quality review process that will occur in parallel with the standards development process.</p> | | |
| MRO NSRF | | None |
| SPP Standards Review Group | | No additional comments. |

END OF REPORT