

Consideration of Comments

Revisions to NERC Standard Processes Manual to Implement SPIG Recommendations

The Standards Committee Process Subcommittee thanks all commenters who submitted comments on the proposed revisions to the NERC Standard Processes Manual (SPM). The revisions to the SPM were posted for a 30-day public comment period from June 20, 2012 through July 19, 2012. Stakeholders were asked to provide feedback on the revisions to the NERC Standard Processes Manual to implement SPIG recommendations through a special electronic comment form. There were 48 sets of comments, including comments from approximately 128 different people from approximately 100 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:

<http://www.nerc.com/filez/standards/Standards Processes Manual revisions SPIG 2012.html>

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 of Standards and Training, Herb Schrayshuen, at 404-446-2560 or at herb.schrayshuen@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 Recommendation 1, the SPIG recommended that NERC continue to meet the minimum requirements of the American National Standards Institute (ANSI) process to preserve ANSI accreditation. In Recommendation 5, the SPIG encouraged NERC to address standards process and resource issues by revising the standard development process to improve timely stakeholder consensus in support of new or revised reliability standards. This recommendation included suggestions that comment responses be bundled, and that the SDT post the draft standard for an informal comment period of 30 days but not be required to respond to comments. 10

2. As noted in Question 1, SPIG Recommendation 1 states that NERC should continue to meet the minimum requirements of the American National Standards Institute (ANSI) process to preserve ANSI accreditation. Currently, the NERC standards development process exceeds the minimum ANSI requirements in two areas that involve the treatment of Negative (No) ballots (ballots “rejecting” a standard or standards-related item, both with and without comments): 41

3. As part of Recommendation 4, the SPIG encouraged NERC to require the alignment of standard requirements/measures with Reliability Standard Audit Worksheets (RSAWs). The SPIG also recommended that NERC revise the Essential Elements of the Standards Template to eliminate redundancies. 78

4. As stated in Question 3, as part of Recommendation 4, the SPIG encouraged NERC to revise the Essential Elements of the Standards Template to eliminate redundancies, using Violation Severity Levels (VSLs) as an example. 99

5. As part of Recommendation 4, the SPIG encouraged NERC to ensure the cost effectiveness of standards through documentation of alternatives analysis. 139

6. If you have any other comments on these proposed revisions that you haven’t already mentioned above, please provide them here:..... 162

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	Mike Garton	Dominion	X	X			X	X				
Additional Member		Additional Organization	Region	Segment Selection									
1.	Louis Slade	Dominion Resources Services, Inc.	RFC	5, 6									
2.	Randi Heise	Dominion Resources Services, Inc.	MRO	5, 6									
3.	Connie Lowe	Dominion Resources Services, Inc.	NPCC	5, 6									
4.	Michael Crowley	Dominion Virginia Power	SERC	1, 2, 5, 6									
2.	Group	Stephen Berger	PPL Corporation NERC Registered Affiliated	X		X		X	X				
Additional Member		Additional Organization	Region	Segment Selection									
1.	Annette. M Bannon	PPL Generation, LLC on behalf of its Supply NERC Registered Entities	RFC	5									
2.			WECC	5									

Group/Individual	Commenter	Organization	Registered Ballot Body Segment																	
			1	2	3	4	5	6	7	8	9	10								
3.	Brenda L. Truhe	PPL Electric Utilities Corporation	RFC	1																
4.	Elizabeth A. Davis	PPL EnergyPlus, LLC	MRO	6																
5.			NPCC	6																
6.			SERC	6																
7.			SPP	6																
8.			RFC	6																
9.			WECC	6																
10.	Brent Ingebrigson	LG&E and KU Services Company	SERC	3																
3.	Group	Nick Wehner	ACES Power Marketing Standards Collaborators		X		X	X	X	X										
Additional Member				Additional Organization		Region		Segment Selection												
1.	James Manning	North Carolina Electric Membership Corporation	RFC	1, 3, 4, 5																
2.	John Shaver	Arizona Electric Power Cooperative	WECC	4, 5																
3.	Megan Wagner	Sunflower Electric Power Corporation	SPP	1																
4.	Bob Solomon	Hoosier Energy Rural Electric Cooperative, Inc.	SERC	1																
5.	Shari Heino	Brazos Electric Power Cooperative, Inc.	ERCOT	1, 5																
6.	John Shaver	Southwest Transmission Cooperative, Inc.	WECC	1																
7.	Susan Sosbe	Wabash Valley Power Association	RFC	3																
4.	Group	Guy Zito	Northeast Power Coordinating Council																	X
Additional Member				Additional Organization		Region		Segment Selection												
1.	Alan Adamson	New York State Reliability Council, LLC	NPCC	10																
2.	Carmen Agavrioloai	Independent Electricity System Operator	NPCC	2																
3.	Greg Campoli	New York Independent System Operator	NPCC	2																
4.	Sylvain Clermont	Hydro-Quebec TransEnergie	NPCC	1																
5.	Chris de Graffenried	Consolidated Edison Co. of New York, Inc.	NPCC	1																
6.	Gerry Dunbar	Northeast Power Coordinating Council	NPCC	10																
7.	Mike Garton	Dominion Resources Services, Inc.	NPCC	5																
8.	Kathleen Goodman	ISO - New England	NPCC	2																
9.	Michael Jones	National Grid	NPCC	1																
10.	David Kiguel	Hydro One Networks Inc.	NPCC	1																
11.	Michael R. Lombardi	Northeast Utilities	NPCC	1																

Group/Individual	Commenter	Organization	Registered Ballot Body Segment																	
			1	2	3	4	5	6	7	8	9	10								
12. Randy MacDonald	New Brunswick Power Transmission	NPCC	9																	
13. Bruce Metruck	New York Power Authority	NPCC	6																	
14. Silvia Parada Mitchell	NextEra Energy, LLC	NPCC	5																	
15. Lee Pedowicz	Northeast Power Coordinating Council	NPCC	10																	
16. Robert Pellegrini	The United Illuminating Company	NPCC	1																	
17. Si-Truc Phan	Hydro-Quebec TransEnergie	NPCC	1																	
18. Michael Schiavone	National Grid	NPCC	1																	
19. Brian Robinson	Utility Services	NPCC	8																	
20. Wayne Sipperly	New York Power Authority	NPCC	5																	
21. David Ramkalawan	Ontario Power Generation, Inc.	NPCC	5																	
22. Donald Weaver	New Brunswick System Operator	NPCC	2																	
23. Ben Wu	Orange and Rockland Utilities	NPCC	1																	
24. Peter Yost	Consolidated Edison Co. of New York, Inc.	NPCC	3																	
5.	Group	Terry Bilke	IRC-SCR		X															
Additional Member Additional Organization Region Segment Selection																				
1.	Al DiCaprio	PJM	RFC																	
2.	Kathleen Goodman	ISONE	NPCC																	
3.	Don Weaver	NBSO	NPCC																	
4.	Steve Meyers	ERCOT	ERCOT																	
5.	Greg Campoli	NYISO	NPCC																	
6.	Ben Li	IESO	NPCC																	
7.	Charles Yeung	SPP	SPP																	
6.	Group	Sasa Maljukan	Hydro One		X															
Additional Member Additional Organization Region Segment Selection																				
1.	David Kiguel	Hydro One Networks Inc.	NPCC	1																
7.	Group	John Bussman	AECI and the G&T members Central Electric Power Cooperative, KAMO Power Cooperative, M&A Electric Power Cooperative, Northeast Electric Power Cooperative, NW Electric Power Cooperative, and ShoMe Power Electric		X		X		X	X										

Group/Individual		Commenter	Organization	Registered Ballot Body Segment									
				1	2	3	4	5	6	7	8	9	10
			Cooperative										
No additional members listed.													
8.	Group	Steve Rueckert	Western Electricity Coordinating Council										X
No additional members listed.													
9.	Group	WILL SMITH	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.	CHUCK LAWRENCE	ATC	MRO	1									
3.	TOM WEBB	WPS	MRO	3, 4, 5, 6									
4.	JODI DENSON	WAPA	MRO	1, 6									
5.	KEN GOLDSMITH	ALTW	MRO	4									
6.	ALICE IRELAND	XCEL	MRO	1, 3, 4, 5									
7.	DAVE RUDPOLPH	BEPC	MRO	1, 3, 5, 6									
8.	ERIC RUSKAMP	LES	MRO	1, 3, 5, 6									
9.	JOE DEPOORTER	MGE	MRO	3, 4, 5, 6									
10.	SCOTT NICKELS	RPU	MRO	4									
11.	TERRY HARBOUR	MEC	MRO	5, 6, 1, 3									
12.	MARIE KNOX	MISO	MRO	2									
13.	LEE KITTELSON	OTP	MRO	1, 3, 4, 5									
14.	SCOTT BOS	MPW	MRO	1, 3, 5, 6									
15.	TONY EDDLEMAN	NPPD	MRO	1, 3, 5									
16.	MIKE BRYTOWSKI	GRE	MRO	1, 3, 5, 6									
17.	DAN INMAN	MPC	MRO	1, 3, 5, 6									
10.	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.	Jonathan Hayes	Southwest Power Pool	SPP	2									
3.	Bo Jones	Westar Energy	SPP	1, 3, 5, 6									
4.	Tiffany Lake	Westar Energy	SPP	1, 3, 5, 6									
5.	Julie Lux	Westar Energy	SPP	1, 3, 5, 6									
6.	Valerie Pinamonti	American Electric Power	SPP	1, 3, 5									

Group/Individual	Commenter	Organization	Registered Ballot Body Segment											
			1	2	3	4	5	6	7	8	9	10		
7. Terri Pyle	Oklahoma Gas & Electric SPP	1, 3, 5												
11. Group	Denise Koehn	Bonneville Power Administration	X		X		X	X						
Additional Member Additional Organization Region Segment Selection														
1. Lorissa	Jones	WECC	1											
2. Hardev	Juj	WECC	1											
3. Fran	Halpin	WECC	5											
4. Denise	Koehn	WECC	1											
5. Erika	Doot	WECC	3, 5, 6											
6. Chris	Higgins	WECC	1											
12. Group	Michael Jones	National Grid and Niagara Mohawk (A National Grid Company)	X		X									
Additional Member Additional Organization Region Segment Selection														
1.	Michael Schiavone	Niagara Mohawk (A National Grid Company)	NPCC	3										
13. Group	Frank Gaffney	Florida Municipal Power Agency	X		X	X	X	X						
Additional Member Additional Organization Region Segment Selection														
1. Timothy Beyrle	City of New Smyrna Beach	FRCC	4											
2. Jim Howard	Lakeland Electric	FRCC	3											
3. Greg Woessner	Kissimmee Utility Authority	FRCC	3											
4. Lynne Mila	City of Clewiston	FRCC	3											
5. Joe Stonecipher	Beaches Energy Services	FRCC	1											
6. Cairo Vanegas	Fort Pierce Utility Authority	FRCC	4											
7. Randy Hahn	Ocala Utility Services	FRCC	3											
14. Group	Charles W. Long	SERC Planning Standards Subcommittee	X											
Additional Member Additional Organization Region Segment Selection														
1. John Sullivan	Ameren Services Company	SERC	1											
2. Philip Kleckley	SC Electric & Gas Company	SERC	1											
3. Bob Jones	Southern Company Service	SERC	1											
4. Darrin Church	TVA	SERC	1											
15. Group	David Dworzak	Edison Electric Institute	X		X	X	X							
Members can be accessed here: http://www.eei.org														

Group/Individual		Commenter	Organization	Registered Ballot Body Segment										
				1	2	3	4	5	6	7	8	9	10	
16.	Individual	Jana Van Ness, Director Regulatory Compliance	Arizona Public Service Company	X		X		X	X					
17.	Individual	John A. Anderson and Michelle D'Antuono	Occidental Energy Ventures Corp. (OEVC) and Electricity Consumers Resource Council (ELCON) together called Industrial Consumers					X		X				
18.	Individual	Bob Steiger	Salt River Project	X		X		X	X					
19.	Individual	Barry Lawson	National Rural Electric Cooperative Association (NRECA)			X	X							
20.	Individual	Daniel Duff	Liberty Electric Power					X						
21.	Individual	Kasia Mihalchuk	Manitoba Hydro	X		X		X	X					
22.	Individual	Peter Yost	Con Edison	X		X		X	X					
23.	Individual	Michael Gammon	Kansas City Power & Light	X		X		X	X					
24.	Individual	Don Jones	Texas Reliability Entity											X
25.	Individual	Terri Pyle	Oklahoma Gas & Electric	X		X		X						
26.	Individual	Thad Ness	American Electric Power	X		X		X	X					
27.	Individual	Michael Falvo	Independent Electricity System Operator		X									
28.	Individual	David Thorne	Pepco Holdings Inc.	X		X								
29.	Individual	Brian J Murphy	NextEra Energy Inc	X		X		X	X					
30.	Individual	Russ Schneider	Flathead Electric Cooperative, Inc.			X	X							
31.	Individual	NERC Staff Compliance Operations and Enforcement	NERC											
32.	Individual	Scott McGough	Georgia System Operations			X	X							
33.	Individual	John Seelke	Public Service Enterprise Group	X		X		X	X					
34.	Individual	Bob Thomas	Illinois Municipal Electric Agency				X							
35.	Individual	Andrew Gallo	City of Austin dba Austin Energy	X		X	X	X	X					
36.	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
37.	Individual	Scott Miller	MEAG Power	X		X		X					
38.	Individual	Eric Salsbury	Consumers Energy			X	X	X					
39.	Individual	Larry Raczkowski	FirstEnergy Corp	X		X	X	X	X				
40.	Individual	Kirit Shah	Ameren	X		X		X	X				
41.	Individual	Anthony Jablonski	ReliabilityFirst										X
42.	Individual	Scott Berry	Indiana Municipal Power Agency				X						
43.	Individual	Andrew Z. Puztai	American Transmission Company	X									
44.	Individual	Kathleen Goodman	ISO New England Inc.		X								
45.	Individual	Steven Powell	Trans Bay Cable LLC	X									
46.	Individual	Patrick Brown	Essential Power, LLC					X					
47.	Individual	Maggy Powell	Exelon Corporation	X		X		X	X				
48.	Individual	Keira Kazmerski	Xcel Energy	X		X		X	X				

1. In Recommendation 1, the SPIG recommended that NERC continue to meet the minimum requirements of the American National Standards Institute (ANSI) process to preserve ANSI accreditation. In Recommendation 5, the SPIG encouraged NERC to address standards process and resource issues by revising the standard development process to improve timely stakeholder consensus in support of new or revised reliability standards. This recommendation included suggestions that comment responses be bundled, and that the SDT post the draft standard for an informal comment period of 30 days but not be required to respond to comments.

NERC has confirmed with ANSI that only one formal comment period is required under ANSI's process. To fulfill Recommendation 5 while remaining in accordance with Recommendation 1, the revised standard process requires only one formal comment period. The drafting team is required to respond to comments in writing prior to a Final Ballot being conducted, although the team may respond in summary form. The drafting team may offer individual responses if deemed necessary or useful for developing additional consensus. Informal comment periods and other means of gathering informal input may be employed at any time to collect stakeholder feedback, but the drafting team is not required to respond in writing to comments obtained in these forums (though they may do so if they wish).

Do these proposed revisions adequately address the SPIG Recommendations? If not, please explain why and offer an alternative solution for improving the timely development of standards while maintaining ANSI accreditation.

Summary Consideration:

By far, the dominant concern expressed in comments to Question 1 related to the commenting process, with particular concern to the treatment of comments and information gathered through the allowed multiple informal methods to collect stakeholder feedback on preliminary drafts and ideas early in the drafting process. The SPM drafting team responded to clarify that Section 4.5 (informal feedback) provides that all written comments received (whether for formal or informal postings) will be posted and that, while drafting teams are not required to provide a written response to each individual comment received, drafting teams are encouraged, where possible, to post a summary response that identifies how it used comments submitted by stakeholders. Also, the SPM drafting team points out that a draft standard will be improved incrementally as informal input is gathered and it is expected that the draft that will be posted for the formal posting and commenting/ballot will be a more robust draft that will reflect the input that has been obtained from the industry through the multiple informal forums.

Sections 4.12 and 4.13 have been revised to clarify the requirements to consider and respond to all written comments. The proposed new Sections 4.12 and 4.13 are as follows:

4.12 Consideration of Comments

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

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

4.13 Additional Ballots

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

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

Also, some of the comments under Question 1 reflected concern about the new waiver section 16.0, which is addressed by responses to comments received under question 6.

Other less frequent comments address the following concerns: (1) uncertainty of the CEAP as it relates to uncertainty of the role of the RISC and its relation to the SC; (2) concern that the revisions may shorten the time allowed for developing consensus but not necessarily foster consensus; (3) treatment of “no” votes, (4) automation of comment processing, and (5) rigorous project management. These topics are primarily addressed within the responses to other questions within this report.

Organization	Yes or No	Question 1 Comment
Northeast Power Coordinating Council	No	Due to the uncertainty of the CEAP and not knowing the responsibilities of the RISC at the time of this posting, it is premature to agree that the

Organization	Yes or No	Question 1 Comment
		revisions adequately address the SPIG recommendations.
<p>Response: Thank you for your comments. Please see the responses to comments for the CEAP, which was posted for a separate comment period which ended on July 6, 2012, for your concerns about the content of the CEAP. Also, the Charter for the Reliability Issues Steering Committee, (RISC), is not under the purview of the Standards Committee and is not part of the standard development process. The draft charter and initial slate for the RISC was approved by the NERC BOT in August and the SC looks forward to clarifying the relationship between the SC and RISC. The Standards Committee (SC) acknowledges that there will be a necessary interface coordination to be implemented in order to assure effective coordination between the activities of the RISC and those of the SC.</p>		
IRC-SRC	No	<p>While we agree improvements can be made to the commenting process, some safeguards are needed. For informal commenting periods, the drafting team should be obliged to post a summary of the comments received and the changes made based on the posting. For formal commenting, drafting teams need to provide a response to each unique comment during a formal comment period. Comments received during the formal commenting period need to be posted. It's not clear why this language was stricken.</p>
<p>Response: Thank you for your comments. Section 4.5 of the proposed SPM revisions provides that information gathered from informal comment periods will be posted. Additionally, information gathered during the informal comment periods will be reflected in the posted draft at the time of the formal posting. Additionally, per Section 4.5, the drafting teams are encouraged, where possible, to post a summary response, following each informal stakeholder feedback session, that identifies how it used comments submitted by stakeholders.</p> <p>To address concerns regarding comments received during formal commenting periods and other stakeholder's comments regarding bundling of comments and providing responses back, Sections 4.12 and 4.13 have been revised as follows:</p> <p>4.12: Consideration of Comments</p> <p>If a stakeholder or balloter proposes a significant revision to a Reliability Standard during the formal comment period or concurrent Ballot that will improve the quality, clarity, or enforceability of that Reliability Standard, then the drafting team may choose to make such revisions and post the revised Reliability Standard for another 45 calendar day public comment period and ballot. Prior to posting the revised Reliability Standard for an additional comment period, the drafting team must</p>		

Organization	Yes or No	Question 1 Comment
		<p>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.</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>4.13: Additional Ballots</p> <p>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> <p>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.</p>
Hydro One	No	<p>Due to the uncertainty of the CEAP and not knowing the responsibilities of the RISC at the time of this posting, it is premature to agree that the revisions adequately address the SPIG recommendations. The RISC scope must be developed and communicated so that there is a clear differentiation with respect to the roles and responsibilities that the Standards Committee currently has.</p>
<p>Response: Thank you for your comments. Please refer to the responses to Question 5 of the SPM comment form which is specific to the CEAP. Additional information regarding the proposed CEAP process was included in a separate comment posting from May 7, 2012 through July 6, 2012.</p> <p>Additionally, the Charter for the Reliability Issues Steering Committee, (RISC), is not under the purview of the Standards Committee and is not part of the standard development process. The draft charter and initial slate for the RISC was approved by the NERC BOT in August and the SC looks forward to clarifying the relationship between the SC and RISC. The Standards Committee (SC) acknowledges that there will be a necessary interface coordination to be implemented in order to assure effective coordination between the activities of the RISC and those of the SC.</p>		

Organization	Yes or No	Question 1 Comment
<p>National Grid and Niagara Mohawk (A National Grid Company)</p>	<p>No</p>	<p>National Grid supports the goal of SPIG recommendation 5 to revise the standard development process to improve timely stakeholder consensus. However, the steps taken to streamline the average duration of the standard development process must be balanced with the need to allow adequate time and opportunity for stakeholder review and input. National Grid agrees that requiring only one formal comment period is an adequate way to gain process efficiency; however, this reduction in formal comment periods should be balanced with a requirement for at least one method for informal stakeholder feedback prior to the formal comment period. Because informal feedback is optional in the current draft SPM, the proposed revisions to Sections 4.5 and 4.7 permit a standard to be developed with only one formal comment period and no other opportunity for the industry to provide feedback and guidance. National Grid is concerned that this process may inadvertently result in more process delays. With the possibility of only one chance to submit feedback, the formal comments will might be overloaded and burdensome to process with information that could have been gathered informally and the need for more successive ballots may result in order to address issues raised in formal comments. National Grid understands that informal feedback is encouraged, but without a requirement, the need and pressure for faster and faster processing of standard development could easily result in a trend of abandonment of informal feedback with the result of a unintended longer process on the back end of a project. Making informal feedback a required step will guard against possibly unnecessary delay while achieving process efficiency in conjunction with the elimination of the second formal comment period.</p> <p>In place of the eliminated additional formal comment period, the drafting team should be required, not encouraged, to use at least one of the methods for informal stakeholder feedback that is set forth in Section 4.5. By retaining the flexibility to use a variety of informal feedback methods,</p>

Organization	Yes or No	Question 1 Comment
		<p>and by retaining the flexibility for the drafting team to set the deadline for informal comment periods (i.e. not requiring 30-days for informal feedback), sufficient time-savings can be achieved in the overall process, but the industry will be guaranteed at least two opportunities to weigh in. This is the most effective and fair way to meet SPIG recommendation 5. Accordingly, National Grid recommends the following edit to the first sentence of proposed draft of Section 4.5 (changes appear in italicized text): Prior to the formal comment period, drafting teams must use at least one of the following methods to collect informal stakeholder feedback on preliminary drafts of its documents:</p> <ul style="list-style-type: none"> o Informal comment period(s) of duration at the discretion of the drafting team o Webinar(s) o Industry meeting(s) o Workshop(s) o Other mechanism(s) that solicit informal industry feedback in an open and transparent way. <p>[The remainder of the draft text of Section 4.5 could remain as drafted].</p> <p>With regard to permitting responses to formal comments in summary form, National Grid supports this change as a reasonable method to achieve process efficiency because the language of the draft Section 4.13 makes clear that “the drafting team must respond in writing to every stakeholder comment” and “all comments and objections must be responded to by the drafting team.” As long as this language remains, National Grid supports responses in summary form. National Grid notes that drafting teams should strive to ensure that summary responses clearly correspond to comments to which they respond.</p>

Organization	Yes or No	Question 1 Comment
<p>Response: Thank you for your comments. The proposed changes to the informal comment period as discussed in Section 4.5 of the draft SPM continue to adhere to the ANSI accreditation requirements. Removal of the 30-day informal comment period allows the drafting team to use multiple informal information gathering forums, which does not preclude an informal comment period as determined by the drafting team, is intended to result in a draft that is more reflective of an industry consensus considering all stakeholder input. This process change would be coupled with a more rigorous project management of the drafting process, resulting in more timely completion of the standard. The decision to eliminate a required informal comment period was based on NERC streamlining the standard development process while still maintaining stakeholder input throughout the process. The SPM drafting team determined that providing the various informal gathering forums was a benefit to the industry but because each standard development project is unique, wants to preserve flexibility both in how informal feedback is solicited as well as whether a particular project calls for it. The SPM drafting team recognizes this is a change. Bundling like comments is included as a recommendation in the SPIG report to assist in streamlining the process for response of all comments by the SDT.</p>		
<p>Florida Municipal Power Agency</p>	<p>No</p>	<p>The reason we checked the “no” box is that FMPA believes that some level of response to comments before ballots in addition to the Final Ballot is necessary to meet the SPIG Recommendation 5 “to improve timely, stakeholder consensus” and believes the SPM ought to require the SDTs to develop summary responses to comments, bundling comments of a similar nature, for ballots prior to the Final Ballot. By not responding in summary form to bundled comments, FMPA believes that the number of ballots (which is a driver to delays in the current process) will not be reduced because entities will be left to guess at how their concerns were addressed (or not addressed) from previously submitted comments; which will likely result in negative voting. FMPA believes that the SDT ought to be required to develop summary responses to bundles of the most important comments (e.g., something less than every comment, but, comments determined to be more important in some way, such as volume of similar comments received) received in ballots other than the final ballot (Section 4.13 might be a good place for this).In addition, through deletion of a large portion of section 4.9, publicly posting of comments received from stakeholders seems to have been eliminated. FMPA believes publicly posting these comments received</p>

Organization	Yes or No	Question 1 Comment
		important to achieving timely consensus and suggests adding words to that effect in Sections 4.7 and 4.9
<p>Response: Thank you for your comments. Section 4.5 of the proposed SPM revisions provides that information gathered from informal comment periods will be posted.</p> <p>Based on the stakeholder comments regarding bundling of comments and providing responses back, the SPM drafting team is proposing the following new Sections 4.12 and 4.13 to replace the previous Sections 4.12 and 4.13 of the draft SPM:</p> <p>4.12: Consideration of Comments</p> <p>If a stakeholder or balloter proposes a significant revision to a Reliability Standard during the formal comment period or concurrent Ballot that will improve the quality, clarity, or enforceability of that Reliability Standard, then the drafting team may choose to make such revisions and post the revised Reliability Standard for another 45 calendar day public comment period and ballot. Prior to posting the revised Reliability Standard for an additional comment period, the drafting team must communicate this decision to stakeholders. This communication is intended to inform stakeholders that the drafting team has identified that significant revisions to the Reliability Standard are necessary and should note that the drafting team is not required to respond in writing to comments from the previous ballot. The drafting team will respond to comments received in the last Additional Ballot prior to conducting a Final Ballot.</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>4.13: Additional Ballots</p> <p>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> <p>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.</p>		
National Rural Electric Cooperative Association (NRECA)	No	Any changes made to the commenting (and balloting which will be discussed in Q2) process must be done carefully so as not to limit, or appear to limit, the ability of industry stakeholders to effectively participate in the standard

Organization	Yes or No	Question 1 Comment
		<p>development process. This will also need to be done with caution in order to prevent and limit the number of appeals that may be submitted due to stakeholders believing their comments were not properly addressed. NRECA understands the desire to modify the Standards Process Manual (SPM) in such ways that will help to shorten the time it takes to develop a standard, definition or interpretation, etc. However, we do have concerns about some of the changes that have been proposed. The use of summary comments instead of individual responses to each stakeholder comment is a significant formal change to the SPM. While this is permitted in the current SPM for informal ballots, permitting summary comments as the only comment response required in the one and only formal comment period is new and could be problematic. First, a stakeholder may not receive a response from a SDT until the final formal comment period even after possibly submitting multiple rounds of comments. Second, a stakeholder may not have any indication how their comments were treated or responded to by the SDT since no comment responses are required until the final comment period. Third, the response they may receive may not be a direct response to their comment as it could be generically responded to in a summary comment. NRECA believes summary comments are adequate for the informal comment periods, but that individual responses to comments should be required in the final formal comment period.</p>
<p>Response: Thank you for your comments. Section 4.5 of the proposed SPM revisions provides that information gathered from informal comment periods will be posted.</p> <p>The purpose of allowing SDT teams to solicit informal feedback (Section 4.5) through multiple forums is to allow for flexibility in the standard development process that enables the SDT to develop a more robust draft from one step to the next with a near final draft when a formal posting is made. As a result, the consensus developed using the information gathered during the informal feedback forums will be posted at the time of the formal posting.</p> <p>The proposed changes to the informal comment period as discussed in Section 4.5 of the draft SPM will continue to adhere to the ANSI accreditation requirements. Removal of the 30-day informal comment period allows the drafting team to use multiple</p>		

Organization	Yes or No	Question 1 Comment
		<p>informal information gathering forums, which does not preclude an informal comment period as determined by the drafting team, and is intended to result in an industry consensus draft that is more reflective of all stakeholder input. This process change would be coupled with more rigorous project management of the drafting team, resulting in more timely completion of the process.</p> <p>The decision to eliminate a required informal comment period was based on NERC streamlining the standard development process while still maintaining stakeholder input throughout the process. The SPM drafting team determined that providing the various informal gathering forums was a benefit to the industry but because each standard development project is unique, wants to preserve flexibility both in how informal feedback is solicited as well as whether a particular project calls for it.</p> <p>Additionally, based on the stakeholder comments regarding bundling of comments and providing responses back, the SPM drafting team is proposing the following new Sections 4.12 and 4.13 to replace the previous Sections 4.12 and 4.13 of the draft SPM:</p> <p>4.12: Consideration of Comments</p> <p>If a stakeholder or balloter proposes a significant revision to a Reliability Standard during the formal comment period or concurrent Ballot that will improve the quality, clarity, or enforceability of that Reliability Standard, then the drafting team may choose to make such revisions and post the revised Reliability Standard for another 45 calendar day public comment period and ballot. Prior to posting the revised Reliability Standard for an additional comment period, the drafting team must communicate this decision to stakeholders. This communication is intended to inform stakeholders that the drafting team has identified that significant revisions to the Reliability Standard are necessary and should note that the drafting team is not required to respond in writing to comments from the previous ballot. The drafting team will respond to comments received in the last Additional Ballot prior to conducting a Final Ballot.</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>4.13: Additional Ballots</p> <p>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> <p>However, a drafting team is not required to respond in writing to comments to the previous ballot when it determines that</p>

Organization	Yes or No	Question 1 Comment
<p>significant changes are needed and an Additional Ballot will be conducted.</p> <p>Every comment will be responded to by the drafting team. The drafting team has the ability to bundle responses if the comments from different stakeholders address the same issues. This process is included in the proposed new version of Section 4.12 of the SPM.</p>		
Manitoba Hydro	No	<p>It is not clear that the proposal will “improve timely stakeholder consensus” as per Recommendation 5. The proposal will shorten the time period during which consensus must be reached, but not necessarily foster consensus.</p>
<p>Response: Thank you for your comments. The proposed changes will continue to adhere to the ANSI accreditation requirements. Allowing the drafting team to use multiple informal information gathering forums is intended to result in a draft that is more reflective of industry consensus with all stakeholder input. This process change would be coupled with more rigorous project management of the drafting team, resulting in more timely completion of the process.</p>		
Pepco Holdings Inc.	No	<p>Not in agreement with to eliminate providing summary responses to comments for each formal comment period. For the stakeholders to understand the direction and thought process of the SDT, the feedback is needed after each formal comment period.</p>
<p>Response: Thank you for your comments. Based on the stakeholder comments regarding bundling of comments and providing responses back, the SPM drafting team is proposing the following new Sections 4.12 and 4.13 to replace the previous Sections 4.12 and 4.13 of the draft SPM:</p> <p>4.12: Consideration of Comments</p> <p>If a stakeholder or balloter proposes a significant revision to a Reliability Standard during the formal comment period or concurrent Ballot that will improve the quality, clarity, or enforceability of that Reliability Standard, then the drafting team may choose to make such revisions and post the revised Reliability Standard for another 45 calendar day public comment period and ballot. Prior to posting the revised Reliability Standard for an additional comment period, the drafting team must communicate this decision to stakeholders. This communication is intended to inform stakeholders that the drafting team</p>		

Organization	Yes or No	Question 1 Comment
		<p>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.</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>4.13: Additional Ballots</p> <p>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> <p>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.</p> <p>Section 4.5 of the proposed SPM revisions provides that information gathered from informal comment periods will be posted. The SPM drafting team recognizes this is a change. Bundling like comments is included as a recommendation included in the SPIG report to assist in streamlining the process for responding to all comments by the SDT.</p>
Illinois Municipal Electric Agency	No	Illinois Municipal Electric Agency (IMEA) supports comments submitted by Florida Municipal Power Agency.
		<p>Response: Thank you for your comments. Based on the stakeholder comments regarding bundling of comments and providing responses back, the SPM drafting team is proposing the following new Sections 4.12 and 4.13 to replace the previous Sections 4.12 and 4.13 of the draft SPM:</p> <p>4.12: Consideration of Comments</p> <p>If a stakeholder or balloter proposes a significant revision to a Reliability Standard during the formal comment period or concurrent Ballot that will improve the quality, clarity, or enforceability of that Reliability Standard, then the drafting team may choose to make such revisions and post the revised Reliability Standard for another 45 calendar day public comment period and ballot. Prior to posting the revised Reliability Standard for an additional comment period, the drafting team must communicate this decision to stakeholders. This communication is intended to inform stakeholders that the drafting team</p>

Organization	Yes or No	Question 1 Comment
		<p>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.</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>4.13: Additional Ballots</p> <p>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> <p>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.</p> <p>Section 4.5 of the proposed SPM revisions provides that information gathered from informal comment periods will be posted.</p>
Ameren	No	<p>(1) We believe that accelerating the schedule for draft standards review at NERC’s end of the process will not help stakeholder to keep up with necessary review and commenting on draft standards. While we applaud the decision to maintain the ANSI accreditation, it can be viewed that it defines a minimal set of requirements. rather than more steps in the process which may be necessary for development of the NERC Standards. Developing a quality standards in many cases just takes time and effort that may not be subject to streamlining.(2) There seems to be a conflict between the revisions in the SPM and the recommendation report from SPIG for the informal 30-day comment period. The SPIG states (Page 14, Proposed Details 2nd Bullet, ii) to post draft standard for informal 30-day comment period but the SDT does not have to respond; however, the SPM states (Page 19 section 4.5: Rationale) that drafting teams are not required to have a 30-day informal comment period. In addition to the one formal comment period, which presumably comes at the end of the standards development process just prior to balloting we request that the SDT have additional</p>

Organization	Yes or No	Question 1 Comment
		<p>informal comment periods earlier in the process as currently is done. (3) We have the following concerns/comments about the proposed "summary" response:</p> <p>a. We currently search SDT responses to comments by individual name and/or company name. If a summary reply is made, how then will we be able to find the responses to our specific comments within the "summary" response?</p> <p>b. What criteria the SDT will use to choose which comments not to respond to? We believe that the criteria for this activity need to be provided upfront. Also, what would happen to the submitted comments which the SDT determines not to respond to? Would those comments be published?</p>
<p>Response:</p> <p>Thank you for your comments. Section 4.5 of the proposed SPM revisions provides that information gathered from informal comment periods will be posted.</p> <p>The purpose of allowing SDT teams to solicit informal feedback (Section 4.5) through multiple forums is to allow for flexibility in the standard development process that enables the SDT to develop a more robust draft from one step to the next with a near final draft when a formal posting is made. As a result, the consensus developed using the information gathered during the informal feedback forums will be reflected in the posted draft at the formal posting.</p> <p>The proposed changes to the informal comment period as discussed in Section 4.5 of the draft SPM continue to adhere to the ANSI accreditation. Removal of the 30-day informal comment period allows the drafting team to use multiple informal information gathering forums, which does not preclude an informal comment period as determined by the drafting team, and is intended to result in an industry consensus draft that is more reflective of all stakeholder input. This process change would be coupled with more rigorous project management of the drafting team, resulting in more timely completion of the process.</p> <p>The decision to eliminate a required informal comment period was based on NERC streamlining the standard development process while still maintaining stakeholder input throughout the process. The SPM drafting team determined that providing the various informal gathering forums was a benefit to the industry but because each standard development project is unique, wants to preserve flexibility both in how informal feedback is solicited as well as whether a particular project calls for it.</p> <p>The changes in the entire standard development process were developed to provide a number of improvements including the ability of the drafting team to have the flexibility to build consensus early in the process via various forums. The SPM changes have</p>		

Organization	Yes or No	Question 1 Comment
<p>preserved the ability of the standard drafting team to use informal comment periods as needed.</p> <p>To further address your comments, as well as other stakeholder comments regarding summary or bundling of comments and providing responses back, the SPM drafting team is proposing the following new Sections 4.12 and 4.13 to replace the previous Sections 4.12 and 4.13 of the draft SPM:</p> <p>4.12: Consideration of Comments</p> <p>If a stakeholder or balloter proposes a significant revision to a Reliability Standard during the formal comment period or concurrent Ballot that will improve the quality, clarity, or enforceability of that Reliability Standard, then the drafting team may choose to make such revisions and post the revised Reliability Standard for another 45 calendar day public comment period and ballot. Prior to posting the revised Reliability Standard for an additional comment period, the drafting team must communicate this decision to stakeholders. This communication is intended to inform stakeholders that the drafting team has identified that significant revisions to the Reliability Standard are necessary and should note that the drafting team is not required to respond in writing to comments from the previous ballot. The drafting team will respond to comments received in the last Additional Ballot prior to conducting a Final Ballot.</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>4.13: Additional Ballots</p> <p>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> <p>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.</p>		
Indiana Municipal Power Agency	No	Indiana Municipal Power Agency supports the comments submitted by Florida Municipal Power Agency.
Response:		

Organization	Yes or No	Question 1 Comment
<p>Thank you for your comments. Please see the response to FMPA’s comments.</p>		
<p>American Transmission Company</p>	<p>No</p>	<p>The SPM, as proposed, does not address all the SPIG Recommendation #5 items: Ballot process shall:</p> <ul style="list-style-type: none"> o Provide options for voting “No” with guiding choices for the answer with a comment section on the ballot <p>This item was a major discussion point for SPIG and it is not addressed in the proposed SPM. We remind the group modifying the SPM, that the reason for the recommendation is to insure that every “no” vote would have a comment, which eliminates the need for determine if vote should be counted. Because the modification did not incorporate this recommendation completely the team has both rehashed the discussion that took place under SPIG and had to include unnecessary language about appealing “no” votes with comments. The SPIG solution must be incorporated into the SPM</p> <p>SPIG Recommendations modify the comment process as follows:</p> <ul style="list-style-type: none"> o The SDT will post draft standard for informal comment period of 30-days, but not be required to respond to comments. o The SPIG did not recommend removal of the 30-Day comment period for informal comments, only that the SDT would not be required to respond to those comments. o Promote an automated system for managing comments. <p>Although this modification does not belong specifically in the SPM, ATC believes that the response to this item needs to be addressed in the modifications. In addition to the above items there are a number of Recommendation 5 items that are not being addressed. The team needs to address these items in some manner as an indication that they are not being ignored.</p> <ul style="list-style-type: none"> o Rigorous Project Management o SDT Model
<p>Response:</p> <p>Thank you for your comments. The proposed changes to the informal comment period as discussed in Section 4.5 of the draft SPM continue to adhere to the ANSI accreditation requirements. Removal of the 30-day informal comment period allows the drafting team to use multiple informal information gathering forums, which does not preclude an informal comment period as determined</p>		

Organization	Yes or No	Question 1 Comment
		<p>by the drafting team, and is intended to result in an industry consensus draft that is more reflective of all stakeholder input. This process change would be coupled with more rigorous project management of the drafting team, resulting in more timely completion of the process.</p> <p>The decision to eliminate a required informal comment period was based on NERC streamlining the standard development process while still maintaining stakeholder input throughout the process. The SPM drafting team determined that providing the various informal gathering forums was a benefit to the industry but because each standard development project is unique, wants to preserve flexibility both in how informal feedback is solicited as well as whether a particular project calls for it.</p> <p>The topic of ‘no’ votes is not included in the scope of Question #1. Please refer to Question #2 for response to comments on ‘no’ ballots.</p> <p>Section 4.3 (Form Drafting Team) of the proposed SPM changes includes a reference to project management expertise. The automated system, the use of rigorous project management and the SDT model do not require SPM changes in order to implement these changes. NERC staff is currently addressing these recommendations.</p>
<p>ISO New England Inc.</p>	<p>No</p>	<p>While we agree improvements can be made to the commenting process, some safeguards are needed. For informal commenting periods, the drafting team should be obliged to post a summary of the comments received and the changes made based on the posting. For formal commenting, drafting teams need to provide a response to each unique comment during a formal comment period. Comments received during the formal commenting period need to be posted. It’s not clear why this language was stricken.</p>
<p>Response:</p> <p>Thank you for your comments. To address your comments, as well as other stakeholder comments regarding posting and bundling of comments and providing responses back, the SPM drafting team is proposing the following new Sections 4.12 and 4.13 to replace the previous Sections 4.12 and 4.13 of the draft SPM:</p> <p>4.12: Consideration of Comments</p> <p>If a stakeholder or balloter proposes a significant revision to a Reliability Standard during the formal comment period or concurrent Ballot that will improve the quality, clarity, or enforceability of that Reliability Standard, then the drafting team</p>		

Organization	Yes or No	Question 1 Comment
		<p>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.</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>4.13: Additional Ballots</p> <p>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> <p>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.</p> <p>Section 4.5 of the proposed SPM revisions provides that information gathered from informal comment periods will be posted.</p>
<p>AECI and the G&T members Central Electric Power Cooperative, KAMO Power Cooperative, M&A Electric Power Cooperative, Northeast Electric Power Cooperative, NW Electric Power Cooperative, and ShoMe Power Electric Cooperative</p>	<p>Yes</p>	<p>However, the process should ensure that the last comment period before balloting will be a formal comment period, and each and every comment will be responded to. This could be in summary of many if similar or individually.</p>
<p>Response:</p> <p>Thank you for your comments and support. To address your comments, the following response which includes both informal and formal comment periods is provided.</p>		

Organization	Yes or No	Question 1 Comment
		<p>Section 4.5 of the proposed SPM revisions provides that information gathered from informal comment periods will be posted. The purpose of allowing SDT teams to solicit informal feedback (Section 4.5) through multiple forums is to allow for flexibility in the standard development process that enables the SDT to develop a more robust draft from one step to the next with a near final draft when a formal posting is made. As a result, the consensus developed using the information gathered during the informal feedback forums will be reflected in the version posted at the formal posting.</p> <p>The SPM drafting team is proposing the following new Sections 4.12 and 4.13 to replace the previous Sections 4.12 and 4.13 of the draft SPM:</p> <p>4.12: Consideration of Comments</p> <p>If a stakeholder or balloter proposes a significant revision to a Reliability Standard during the formal comment period or concurrent Ballot that will improve the quality, clarity, or enforceability of that Reliability Standard, then the drafting team may choose to make such revisions and post the revised Reliability Standard for another 45 calendar day public comment period and ballot. Prior to posting the revised Reliability Standard for an additional comment period, the drafting team must communicate this decision to stakeholders. This communication is intended to inform stakeholders that the drafting team has identified that significant revisions to the Reliability Standard are necessary and should note that the drafting team is not required to respond in writing to comments from the previous ballot. The drafting team will respond to comments received in the last Additional Ballot prior to conducting a Final Ballot.</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>4.13: Additional Ballots</p> <p>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> <p>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. Section 4.7 of the draft SPM requires a 45-day formal comment period with a ballot period being included in this 45-day period. This requirement meets ANSI accreditation requirements.</p>

Organization	Yes or No	Question 1 Comment
Western Electricity Coordinating Council	Yes	WECC supports this revision provided that the drafting teams are still required to review and consider all comments received. Section 4.5 of the proposed revisions to the SPM explains that drafting teams are not required to provide responses to feedback from informal comment periods and we support this. However, WECC suggests that clarification be added that indicates the drafting teams must consider the feedback. Without the requirement to consider the feedback, there is no reason for even seeking the feedback.
<p>Response:</p> <p>Thank you for your comments and support. All comments and feedback received by the drafting team are considered and a response is provided. It is the collective decision of the team to determine what specific stakeholder input is then incorporated into the draft standard.</p> <p>Section 4.5 of the proposed SPM revisions provides that information gathered from informal comment periods will be 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.</p> <p>Comments are responded to per the proposed new Sections 4.12 and 4.13 to replace the previous Sections 4.12 and 4.13 of the draft SPM:</p> <p>4.12: Consideration of Comments</p> <p>If a stakeholder or balloter proposes a significant revision to a Reliability Standard during the formal comment period or concurrent Ballot that will improve the quality, clarity, or enforceability of that Reliability Standard, then the drafting team may choose to make such revisions and post the revised Reliability Standard for another 45 calendar day public comment period and ballot. Prior to posting the revised Reliability Standard for an additional comment period, the drafting team must communicate this decision to stakeholders. This communication is intended to inform stakeholders that the drafting team has identified that significant revisions to the Reliability Standard are necessary and should note that the drafting team is not required to respond in writing to comments from the previous ballot. The drafting team will respond to comments received in the last Additional Ballot prior to conducting a Final Ballot.</p>		

Organization	Yes or No	Question 1 Comment
		<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>4.13: Additional Ballots</p> <p>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> <p>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.</p>
MRO NSRF	Yes	<p>The NSRF does not believe the proposed revisions to the SPM addressed the SPIG Recommendations as spelled out in the SPIG Report below: Modify the comment process to:</p> <ul style="list-style-type: none"> o Have the SDT post draft standard for informal comment period of 30-days, but not be required to respond to comments. o Promote an automated system for managing comments. Ballot process shall: o Provide options for voting “No” with guiding choices for the answer with a comment section on the ballot.
<p>Response:</p> <p>Thank you for your comments and support. The proposed changes to the informal comment period as discussed in Section 4.5 of the draft SPM continue to adhere to the ANSI accreditation. Removal of the 30-day informal comment period allows the drafting team to use multiple informal information gathering forums, which does not preclude an informal comment period as determined by the drafting team, and is intended to result in an industry consensus draft that is more reflective of all stakeholder input. This process change would be coupled with more rigorous project management of the drafting team, resulting in more timely completion of the process.</p> <p>The decision to eliminate a required informal comment period was based on NERC streamlining the standard development process while still maintaining stakeholder input throughout the process. The SPM drafting team determined that providing the various informal gathering forums was a benefit to the industry but because each standard development project is unique, wants to preserve flexibility both in how informal feedback is solicited as well as whether a particular project calls for it.</p>		

Organization	Yes or No	Question 1 Comment
<p>The topic of ‘no’ votes is not included in the scope of Question #1. Please refer to Question #2 for response to comments on ‘no’ ballots.</p> <p>Section 4.3 (Form Drafting Team) of the proposed SPM changes includes a reference to project management expertise. The automated system, the use of rigorous project management and the SDT model do not require SPM changes in order to implement these changes. NERC staff is currently addressing these recommendations.</p>		
<p>Dominion</p>	<p>Yes</p>	<p>Dominion notes that the SPIG recommendations are draft at this point, so any responses to this comment form may or may not remain valid once the SPIG recommendations are finalized. Additionally, it is difficult to determine whether Question #1 is referring to SPIG Recommendation 1 and 5 or all the SPIG recommendations. Dominion assumes, for the sake of providing comments, that Question #1 is addressing SPIG Recommendations 1 & 5.</p>
<p>Response:</p> <p>Thank you for your comments and support. While the posted SPIG recommendations are identified as draft, the BOT approved the recommendations at their May 9, 2012 meeting.</p> <p>Yes, a subteam was assigned the task of addressing SPIG Recommendation 1 and part of Recommendation 5 which pertain to maintaining ANSI accreditation requirements and to streamlining of commenting and balloting processes. Question #1 is intended to cover the proposed revisions to the SPM that address those parts of the Recommendations 1 and 5.</p>		
<p>Bonneville Power Administration</p>	<p>Yes</p>	<p>BPA supports one formal comment period, BPA sees significant value in the drafting team responding individually rather than in summary form, understanding that like comments or similar comments can be grouped together. BPA believes that these changes need to be clearly communicated to the industry.</p>
<p>Response: Thank you for your comments and support. In agreement with your comments, the summary responses to comments must address each comment, although the format of doing so may allow the bundling of similar comments so that one response can be given to address the issues raised. The summary must be robust enough to ensure that each individual comment is</p>		

Organization	Yes or No	Question 1 Comment
addressed.		
SERC Planning Standards Subcommittee	Yes	However, the process should ensure that the last comment period before balloting will be a formal comment period, with individual written responses to each comment submitted.
<p>Response: Thank you for your comments and support. Section 4.7 of the draft SPM requires a 45-day <i>formal</i> comment period with a ballot period being included in this 45-day period. The drafting team must address each comment, although the format of doing so may allow the bundling of similar comments so that one response can be given to address the issues raised. If the drafting team responds in summary form, the summary must be robust enough to ensure that each individual comment is addressed.</p>		
Occidental Energy Ventures Corp. (OEV) and Electricity Consumers Resource Council (ELCON) together called Industrial Consumers	Yes	Occidental Energy Ventures Corp. (OEV) and the Electricity Consumers Resource Council (ELCON) (herein: Industrial Consumers), the Sector 8 representatives of large end-use electricity consumers on the MRC, believe it essential that NERC’s Standards Development process continue to meet at least the minimum ANSI requirements. However, we have two concerns which we believe are an improper translation from the intention of the SPIG recommendations to the updated Standards Process Manual. First, a vehicle must exist for the industry to request additional formal comment periods during the development of complex and/or controversial modifications to Reliability Standards. Without this provision, it is possible that project teams will make major modifications between multiple successive 10 day ballot periods - in our view, a misuse of the intent. For example, we cannot imagine that the CIP Version 5 Standards could be effectively vetted in a single formal review. Second, the legal memorandum posted concurrently with the proposed modifications essentially allows NERC to bypass the ANSI process if they deem it necessary without any threat of loss of accreditation. Although we understand that regulatory standards have inherent differences from voluntary industry-developed Standards, it goes against the partnership principals that NERC and FERC expound. Actions have consequences and it is unseemly to portray a process as communal when it

Organization	Yes or No	Question 1 Comment
		is clearly not.
<p>Response: Thank you for your comments and support. The entire construct of the commenting and balloting process within the standard development process is designed to provide the industry a vehicle to express its concerns and to determine, through ballot, when consensus is reached. If a stakeholder does not feel consensus has been reached, they can appeal any action or inaction at any step in the process pursuant to Section 8.0 of the Standard Processes Manual.</p> <p>The legal memorandum posted is simply a comparison of the NERC Standards Processes with ANSI requirements and was provided solely for informational purposes. Regardless of what is stated in the memorandum the changes to the SPM were drafted with the intent of complying with the SPIG recommendation of preserving ANSI accreditation of the standards development process. The proposed modifications do not allow for NERC to bypass the ANSI process or otherwise provide NERC any authority whatsoever. As noted in the introduction, the memorandum takes no position on whether any particular changes should be made, nor does it express an opinion as to the acceptability of any particular change to the broader stakeholder community.</p>		
Salt River Project	Yes	SRP supports the modifications to the SPM as recommended by the SPIG
<p>Response: Thank you for your comment and support.</p>		
Liberty Electric Power	Yes	Agree with this provision, but the Process Manual should be revised to require comments be immediately posted publicly so all entities can be informed of the views of their peers. This is especially vital considering the intent to modify the criteria for counting negative votes.
<p>Response: Thank you for your comments and support. NERC is considering software modifications that would allow immediate posting of comments as they are received, and this could be implemented without a process change.</p>		
Kansas City Power & Light	Yes	It is important for the Standard Drafting Team (SDT) to understand major industry concerns with a proposed standard. The suggestions in recommendation 1 to improve the process are likely to improve the process. To further strengthen the process, suggest the comments process include a method for the industry to identify “deal breakers” in a proposed standard, explain why it is a “deal breaker”, and suggest a viable alternative. Where a

Organization	Yes or No	Question 1 Comment
		<p>“deal breaker” represents if the proposed standard is not modified, the entity cannot support the standard. This will aid the SDT to focus on the matters of most importance, consider meaningful alternatives and come to an effective and swifter resolution.</p>
<p>Response: Thank you for your comments and support. The entire construct of the commenting and balloting process within the standard development process is designed to provide the industry a vehicle to express its concerns and to determine through ballot when consensus is reached. Identifying “deal breakers” can certainly be helpful to the SDT and commenters are encouraged to be as specific as possible in identifying their concerns and the resolution to those concerns. The SCPS believes this can be accomplished through the established commenting process and does not believe this level of detail should be required in the SPM.</p>		
Texas Reliability Entity	Yes	<p>We support these revisions. However, if a commenter makes a comment or objection in an early comment period, and fails to repeat it in the formal comment period, will the comment or objection be deemed to be waived or abandoned? In Part 4.7, relating to “Formal Comment Period,” we suggest adding the following provision: “To ensure full and individual consideration of a comment or objection and to preserve an issue for appeal, an entity should submit its comment or objection in the final formal comment period, even if it previously made the comment in a prior comment period (formal or informal) and the concern was not resolved.”</p>
<p>Response: Thank you for your comments and support. The entire construct of the commenting and balloting process within the standard development process is designed to provide the industry a vehicle to express its concerns and to determine through ballot when consensus is reached.</p>		
Independent Electricity System Operator	Yes	<p>As long as voting remains a strong lever for adoption/rejection of a standard, we find these proposed changes acceptable.</p>
<p>Response: Thank you for your comment and support. Yes, voting continues to be a principal part of the process.</p>		

Organization	Yes or No	Question 1 Comment
NextEra Energy Inc	Yes	NextEra Energy, Inc. (NextEra) agrees with streamlining the balloting and comment periods, while maintaining ANSI accreditation.
<p>Response: Thank you for your comment and support.</p>		
Georgia System Operations	Yes	While we encourage efficient use of resources and have no objection to responses being written in summary form, we believe it is imperative that the SPM require that every issue raised in a comment be responded to. The permission to respond in summary form cannot be used as permission not to respond to a difficult issue simply because only a single commenter raised it.
<p>Response: Thank you for your comments and support. To address your comments, as well as other stakeholder comments regarding posting and summary or bundling of comments and providing responses back, the SPM drafting team is proposing the following new Sections 4.12 and 4.13 to replace the previous Sections 4.12 and 4.13 of the draft SPM:</p> <p>4.12: Consideration of Comments</p> <p>If a stakeholder or balloter proposes a significant revision to a Reliability Standard during the formal comment period or concurrent Ballot that will improve the quality, clarity, or enforceability of that Reliability Standard, then the drafting team may choose to make such revisions and post the revised Reliability Standard for another 45 calendar day public comment period and ballot. Prior to posting the revised Reliability Standard for an additional comment period, the drafting team must communicate this decision to stakeholders. This communication is intended to inform stakeholders that the drafting team has identified that significant revisions to the Reliability Standard are necessary and should note that the drafting team is not required to respond in writing to comments from the previous ballot. The drafting team will respond to comments received in the last Additional Ballot prior to conducting a Final Ballot.</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>4.13: Additional Ballots</p> <p>A drafting team must respond in writing to every stakeholder written comment submitted in response to a ballot prior to</p>		

Organization	Yes or No	Question 1 Comment
<p>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> <p>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.</p>		
Duke Energy	Yes	<p>The change to reply to comments in summary form adequately addresses the SPIG recommendation. Duke Energy does not support the SPIG recommendation to not require responses to the comments submitted in the informal 30-day comment period, as this will make it difficult for entities to determine how or if the Standard Drafting Team used the entity’s comments. The response to comments is an important tool for developing industry consensus, and providing that response in summary format should enhance the efficiency of the SDT.</p>
<p>Response: Thank you for your comments and support. Allowing the drafting team to use multiple informal information gathering forums, which does not preclude an informal comment period as determined by the drafting team, is intended to result in an industry consensus draft that is more reflective of all stakeholder input.</p>		
Exelon Corporation	Yes	<p>Exelon supports the dual goal of maintaining ANSI accreditation and streamlining the development process. Informal comment periods are useful and should be effectively utilized to gather technical and practical input at the front end of the standard development. Figure 1 implies that informal comment periods will only be used for the SAR. Section 4.5 enables SDTs to conduct informal input gathering including informal comment periods. While the specified 30-day time period has been removed, Figure 1 will be more clear if it notes the option for informal input gathering. In streamlining the process, the Standards Committee must not lose focus on how the iterative process leads to a successful final standard. The iterative process refines the standard language addressing problematic aspects over</p>

Organization	Yes or No	Question 1 Comment
		<p>revisions. The requirements are dynamic - a change to resolve one problem is only successful if it does not create another problem. Shortening the process is only achieved with affirmative votes. Affirmative votes depend on standard language being technically accurate for all covered functional entities, clearly understood and realistically achievable. While responding to individual's comments presents a notable workload for drafting teams, the information learned in that process is essential. The individual response makes it clear to the commenter that the SDT heard their issue and it illustrates how the SDT understood the comment. Given the diversity of system designs within the electric delivery grid, summaries run the risk of losing or diluting the technical issues raised by the industry. If summary responses are the only form of response, they must work hard to clearly respond to all points raised by commenters and do so in time for voters to digest the responses. Furthermore, comments that focus on issues prompting a negative vote are critical to the SDT effort. Commenters seek to improve the standard language at all degrees and should be encouraged to do so whether in correcting typos or raising flawed technical assumptions. It may be worthwhile to include an option for SDTs to respond individually and/or some other means to more clearly identify the objections among stakeholders that motivate a negative vote.</p>
<p>Response: Thank you for your comments and support. Figure 1, Step 3 (Develop Draft of Standard and Implementation Plan), includes "Collect Informal Feedback," this language is intended to apply to the entire step in the process, i.e., the development of a draft standard and implementation plan. The Standards Committee understands the iterative nature of the process and the proposed SPM changes would allow drafting teams to use multiple informal methods to iteratively improve a standard prior to posting for the initial formal comment period. This is intended to ensure that the draft that is posted is technically accurate and well-supported.</p> <p>Every comment will be responded to by the drafting team. The drafting team has the ability to bundle responses if the comments from different stakeholders address the same issues. This process is included in the proposed revision to Section 4.12 of the SPM below. Standard drafting teams also have the option to respond individually to objections pursuant to the new Section 4.12</p>		

Organization	Yes or No	Question 1 Comment
<p>included below which is replacing the previous Section 4.12 of the draft SPM:</p> <p>4.12: Consideration of Comments</p> <p>If a stakeholder or balloter proposes a significant revision to a Reliability Standard during the formal comment period or concurrent Ballot that will improve the quality, clarity, or enforceability of that Reliability Standard, then the drafting team may choose to make such revisions and post the revised Reliability Standard for another 45 calendar day public comment period and ballot. Prior to posting the revised Reliability Standard for an additional comment period, the drafting team must communicate this decision to stakeholders. This communication is intended to inform stakeholders that the drafting team has identified that significant revisions to the Reliability Standard are necessary and should note that the drafting team is not required to respond in writing to comments from the previous ballot. The drafting team will respond to comments received in the last Additional Ballot prior to conducting a Final Ballot.</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>PPL Corporation NERC Registered Affiliated</p>		<p>The PPL Companies appreciates the Standards Committee’s efforts to revise and streamline the Standard Development process. PPL Companies are in agreement that the proposed recommendations do adequately address the SPIG recommendations, but have the following concerns with the proposal. The proposal will reduce the opportunity that Stakeholders currently have to review and comment on standard revisions. The PPL Companies would like the Standards Committee to consider that eliminating the 30-day informal comment period doesn’t provide Stakeholders with the same level of involvement in the standards process as they enjoy today. Given the often technical nature of standards and differences by region and/or company structure, the use of the informal comment period and the 30-day formal comment period has proven effective. The PPL Companies recommend that existing utilization of both informal and formal comments periods be required and the time periods be maintained. NERC’s current process, which is ANSI compliant, provides that the SDT must address all comments directly. The proposal provides the SDT with ability to selectively</p>

Organization	Yes or No	Question 1 Comment
		<p>group comments and respond with a generic statement. The PPL Companies suggest that if a response is to be used multiple times to respond to similar comments from different entities, the response should cite which specific previous response it is referencing rather than just stating, “response above.” The PPL Companies recommend that the SDT be directed to continue to provide direct responses back to each comment or accurately reference which response the SDT feedback is referencing, when grouped responses are submitted. This recommendation does not preclude SDTs from responding to similar comments in a similar manner by using the same response multiple times.</p>
<p>Response: Thank you for your comments and support. First, there is no intention to reduce the opportunities that stakeholders have for input; instead, the use of informal forms of input are encouraged so that before a standard is posted for a formal comment period, the drafting team has a good idea that it has uncovered all of the major technical issues and has a draft that is “final.” After the 45-day formal posting, every comment will be responded to by the drafting team. The drafting team has the ability to bundle responses if the comments from different stakeholders address the same issues. This process is included in the new Section 4.12 which is replacing the previous Sections 4.12 of the draft SPM:</p> <p>4.12: Consideration of Comments</p> <p>If a stakeholder or balloter proposes a significant revision to a Reliability Standard during the formal comment period or concurrent Ballot that will improve the quality, clarity, or enforceability of that Reliability Standard, then the drafting team may choose to make such revisions and post the revised Reliability Standard for another 45 calendar day public comment period and ballot. Prior to posting the revised Reliability Standard for an additional comment period, the drafting team must communicate this decision to stakeholders. This communication is intended to inform stakeholders that the drafting team has identified that significant revisions to the Reliability Standard are necessary and should note that the drafting team is not required to respond in writing to comments from the previous ballot. The drafting team will respond to comments received in the last Additional Ballot prior to conducting a Final Ballot.</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>		

Organization	Yes or No	Question 1 Comment
ACES Power Marketing Standards Collaborators	Yes	
SPP Standards Review Group	Yes	
Arizona Public Service Company	Yes	
Oklahoma Gas & Electric	Yes	
Flathead Electric Cooperative, Inc.	Yes	
Public Service Enterprise Group	Yes	
City of Austin dba Austin Energy	Yes	
FirstEnergy Corp	Yes	
ReliabilityFirst	Yes	
Trans Bay Cable LLC	Yes	
Essential Power, LLC	Yes	

2. As noted in Question 1, SPIG Recommendation 1 states that NERC should continue to meet the minimum requirements of the American National Standards Institute (ANSI) process to preserve ANSI accreditation. Currently, the NERC standards development process exceeds the minimum ANSI requirements in two areas that involve the treatment of Negative (No) ballots (ballots “rejecting” a standard or standards-related item, both with and without comments):
 - a. The NERC Standards Development Process considers negative votes with comments (regardless of the nature of the comment or if the comment is even relative to the standard being balloted) in both the determination of quorum and in calculating industry consensus.
 - b. The NERC Standards Development Process considers negative votes without comments in the determination of quorum and in calculating industry consensus.

ANSI requirements consider negative votes with comments related to the proposal under consideration in determining quorum and the calculation of industry consensus. However, ANSI requirements do not require the consideration of negative votes accompanied by comments that are not related to the proposal under consideration, or negative votes without comments in determining industry consensus. ANSI requirements allow for negative votes to be considered only in the calculation to determine quorum.

Thus, in the revised Standard Processes Manual, negative votes that are submitted without comment, or that are submitted with a comment unrelated to the posted standard, will be included in the determination of quorum but will not be included in the determination of consensus. Stakeholders will be given explicit guidance on submitting constructive comments to drafting teams, and they will be given an explanation if their vote and associated comment are not included in consensus (with the opportunity to appeal). This change ensures that stakeholders are encouraged to offer constructive feedback that drafting teams can use to improve draft standards and reach consensus efficiently.

Does this proposed revision adequately address SPIG Recommendation 4? If not, please explain why and offer an alternative solution for improving the timely development of standards while maintaining ANSI accreditation.

Summary Consideration:

The Standards Committee Process Subcommittee's (SCPS) goal with this particular revision to the Standards Process Manual (SPM) is addressing several issues identified in the SPIG (Standards Process Improvement Group) Recommendations: 1. (*SPIG Recommendation 1 & 5*) the alignment of the ERO Standard Development Process with the ANSI requirements. A key objective in the SPIG recommendations was to ensure that ANSI accreditation is maintained for the process. ANSI currently takes the same approach with 'No' ballots and comments as the proposal incorporated in the draft revisions to the SPM. Close alignment with the ANSI standards will ensure accreditation is maintained. 2. (*SPIG Recommendation 5*) The SPIG recommendations identified a need to shorten the ERO Standard Development Process and it is the opinion of the SCPS that the best way to accomplish this is provide the Standard Drafting Teams (SDT) with the best opportunity to build stakeholder consensus. In order to accomplish this, stakeholders need to be fully engaged early in the process and need to provide meaningful comments that are helpful and constructive, which will assist the SDT in developing revisions that are responsive to the concerns of the industry and establish an adequate level reliability. It has been demonstrated in the past that early engagement of stakeholders in the process produces higher quality standards in a shorter amount of time.

Based on the comments received, the SCPS has re-examined this issue and determined that the approach for evaluating the relevance of comments requires additional clarification and 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.

With respect to making modifications to NERC's balloting software to provide a set of standard options for balloters to choose from to indicate the reason for a 'no' vote, the Standards Committee does not believe it is appropriate to provide specific details about NERC's balloting software in the SPM. Ultimately, NERC has a responsibility to provide tools to support whatever process is developed, and NERC staff will be prepared via software or manual methods if necessary, to ensure that balloters will be able to submit comments at each stage of the balloting process including initial, additional and final ballot, including an option to indicate support for another entity's comments without the need to submit full responses to every question. For this reason, SPM revisions will not contain details such as those in the SPIG recommendation.

In the revised balloting software that will be implemented to support a revised process, all of the options for casting a vote, and how each is counted in the determination of a quorum and in the weighted segment approval will be clearly articulated so that the entity casting the vote is fully aware that submission of helpful comments to the drafting team is critical to a successful stakeholder process for standards development. The website will clearly indicate how votes are considered and counted towards consensus and quorum.

Organization	Yes or No	Question 2 Comment
Dominion	No	<p>The preceding discussion appears to focus on the ANSI process ascribed in SPIG Recommendation 1 while the question asks about Recommendation 4. The four bullets under SPIG Recommendation 4 are not adequately addressed in the revision to the process manual. Dominion believes the ballot process and comment process should be structured in such a way that there is direct linkage between the vote (ballot) and the comments associated with the vote.</p>
<p>Response: The SCPS recognizes that the question asked in the comment form incorrectly identified this revision with Recommendation 4 from the SPIG report. The revisions associated with the ‘No Ballot’ issue are in response to recommendations 1 & 5. It is the SCPS’s intent to enhance the information provided to the Standard Drafting Teams (“SDT”) with helpful and constructive input to allow the team to efficiently revise a standard during its development to meet industry concerns. Based on the comments received, the SCPS has re-examined this issue and determined that the approach for evaluating the relevance of comments requires additional clarification and 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. The SCPS believes stakeholders that vote ‘No’ without comment are not providing enough information to assist the SDT in revising the standard to reach consensus. This leads to inefficiency and prolongs the standards development process because the SDT is guessing at what the industry concerns are.</p> <p>In the revised balloting software that will be implemented to support a revised process, all of the options for casting a vote, and how each is counted in the determination of a quorum and in the weighted segment approval will be clearly articulated so that the entity casting the vote is fully aware that submission of helpful comments to the drafting team is critical to a successful stakeholder process for standards development. The website will clearly indicate how votes are considered and counted towards consensus and quorum.</p> <p>With respect to a linkage between the vote and comments associated with the vote, this information is available to drafting teams now and will be in the future (and this capability is not dependent on software redesign or a comment box being on the same screen as the ballot that is cast). NERC staff will be prepared via software or manual methods if necessary, to ensure that option 2 can be implemented so that balloters will be able to submit comments at each stage of the balloting process including initial, additional and final ballot, and the linkage between the comment and ballot will be available.</p>		
ACES Power Marketing Standards Collaborators	No	<p>-1- In general, we disagree with the concept of not counting some negative votes. We believe all votes should be counted towards the approval rate. While it is true</p>

Organization	Yes or No	Question 2 Comment
		<p>that ANSI allows negative votes to not be counted, it is not appropriate, in NERC’s case, to lower its current criterion to the minimum ANSI criterion. First, the current NERC criterion simply exceeds the minimum ANSI criterion and is not a violation of ANSI criteria. Second, ANSI-approved standards setting bodies develop standards that are followed for different reasons than NERC standards are. For instance, Underwriting Laboratories develops laudable standards for safety testing and certification. If UL standards are not met, a product cannot use the UL label which might affect its ability to be sold or have other ramifications. UL cannot fine the manufacturer for not following a UL standard. Third, we are not aware of any other ANSI-approved standards setting body that has the authority to enforce those standards with fines of up to \$1,000,000/day/violation. Fourth, NERC having the ability to not count a negative vote, ultimately leading to a standard becoming approved and enforceable by NERC, is a conflict of interest. For these reasons, it makes sense to continue to exceed the ANSI requirement. Exceeding this ANSI requirement would also be consistent with the SPIG recommendation to continue to maintain ANSI accreditation.</p> <p>-2- With regard to negative votes without comment or with unrelated comments – it does not seem proper to allow these votes to count toward quorum but not toward approval. Achieving quorum tells you that there was a large enough proportion of the body that voted and had their opinion represented, but then a portion of those opinions (the negative without comment votes) are not represented. This is not a true quorum. We believe that negative votes without comment or with unrelated comments should be counted toward both quorum and approval. But if they must not be counted toward approval, then they should also not be counted toward quorum. In such a case, quorum should be recalculated after certain negative votes have been eliminated.</p> <p>-3- If negative votes are not to be counted, then a high bar should be established for the decision to not count the vote. If there is any doubt whether a comment is</p>

Organization	Yes or No	Question 2 Comment
		<p>related, then the voter should be given the benefit of the doubt, and the vote should be counted. We believe the proposed changes do have a fairly high bar (not considering our comment regarding quorum in comment 2 of this question). However, we further suggest that the primary emphasis should be on encouraging voters submitting negative votes to provide comments rather than on recalculating the ballot. For one, it is entirely possible that recalculation of the ballot will not change whether the standard is approved or not. Obviously, in this case, recalculation of the ballot provides no expedition of the standards development process.</p> <p>-4- As we understand the standards process, comments are no longer submitted with the ballot, but through a separate electronic formal comment process. We assume that these formal comments will be used to determine whether a negative vote was accompanied by a related comment and should count toward calculating approval. We also understand that the standards process only requires that there be one formal comment period during the entire balloting process of a standard. So in the case where a ballot results in a standard achieving approval and it proceeds to recirculation ballot (with no formal comment opportunity), then a voter who did not initially provide comments will not have the opportunity to provide comments in the recirculation ballot period to allow their negative vote to count. We suggest that the standards process allow the opportunity to provide comments, whether formal or not, at each voting opportunity so that each voter has the chance to cast a vote that will be counted. Preferably, voting and commenting should occur simultaneously as it previously had been conducted. This will further ensure that the drafting team is incented to work to gather input rather than discount negative votes. Additionally, we understand that on p. 24 of the whitepaper for this project it states that the NERC website will be rebuilt with a revised balloting page, but we still feel that the actual standards process manual should clearly reflect these elements of the balloting process.</p> <p>-5- Comments simply disagreeing with the need for a standard should be</p>

Organization	Yes or No	Question 2 Comment
		<p>considered an acceptable comment for a negative vote and the process manual should state this directly. First, the SAR is not balloted, so there is no measurable way to indicate whether there is majority support for the standard development activity. Second, the drafting team essentially makes a judgment from comments on whether the SAR has support to proceed. Historically, standards drafting teams have not been able to gauge the level of support for a standard from comments. This can be easily deduced by the fact that the vast majority of standards usually do achieve a very low number of affirmative votes during the initial ballot. For whatever reason, it is only when the standard becomes balloted that support becomes measurable. Thus, commenters could state many objections to the SAR in the comment period, and it still proceeds based on the drafting team’s judgment that such comments did not relate.</p>
<p>Response: The SCPS does not understand why the commenter feels that this proposed revision to the SPM is not appropriate for the electric utility industry. It is NERC’s intent to enhance the information provided to the SDT with helpful and constructive input to allow them to efficiently revise a standard during its development to meet industry concerns. The revisions associated with the ‘No Ballot’ issue are in response to recommendations 1 & 5. It is the SCPS’s intent to enhance the information provided to the Standard Drafting Teams (“SDT”) with helpful and constructive input to allow the team to efficiently revise a standard during its development to meet industry concerns. Based on the comments received, the SCPS has re-examined this issue and determined that the approach for evaluating the relevance of comments requires additional clarification and 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. The SCPS believes stakeholders that vote ‘No’ without comment are not providing enough information to assist the SDT in revising the standard to reach consensus. This leads to inefficiency and prolongs the standards development process because the SDT is guessing at what the industry concerns are.</p> <p>In the revised balloting software that will be implemented to support a revised process, all of the options for casting a vote, and how each is counted in the determination of a quorum and in the weighted segment approval will be clearly articulated so that the entity casting the vote is fully aware that submission of helpful comments to the drafting team is critical to a successful stakeholder process for standards development. The website will clearly indicate how votes are considered and counted towards consensus and quorum.</p>		

Organization	Yes or No	Question 2 Comment
<p>With respect to a linkage between the vote and comments associated with the vote, this information is available to drafting teams now and will be in the future (and this capability is not dependent on software redesign or a comment box being on the same screen as the ballot that is cast). NERC staff will be prepared via software or manual methods if necessary, to ensure that balloters will be able to submit comments at each stage of the balloting process including initial, additional and final ballot, and the linkage between the comment and ballot will be available. The website will clearly indicate how votes are considered and counted towards consensus and quorum. The website is expected to provide a ballot pool member with the ability to enter comments and reference comments provided by other ballot pool members.</p>		
<p>Northeast Power Coordinating Council</p>	<p>No</p>	<p>It addresses the recommendations, however we do not necessarily agree with the approach taken. The revision doesn't address when an entity refers to comments submitted by another entity. For example, NPCC votes "no" with relevant comments, and an entity votes "no", and indicates a reference those comments submitted by NPCC.</p>
<p>Response: The SCPS appreciates the support of the proposed revisions to the SPM. NERC already encourages entities to express support for the comments of another entity if they do not have any additional comments to add, although this is not expressly mentioned in the SPM. NERC has recently implemented a change to the standard commenting form to provide a stakeholder with the ability to indicate support for comments provided by other commenters.</p>		
<p>IRC-SCR</p>	<p>No</p>	<p>We have strong concerns with discounting negative votes without comments or the rejection of ballots for unrelated comments. Ultimately an individual has the right to say a standard is not needed and that no amount of tweaking will make it acceptable. The voting section is very confusing regarding abstentions and how these are accounted for in either the quorum or approval calculations. The confusion would be minimized if the current process was not changed. There was intermingling of "calendar days" and "business days" in this section. We believe the ballot body should get 10 business days to vote.</p>
<p>Response: The SCPS agrees with the commenter that an individual has the right to provide comments that indicate a 'standard is not needed or that no amount of tweaking will make it acceptable', provided the individual provides justification for the comments. Therefore the identified comments will in fact be counted by the latest proposal and the next revision of the manual will reflect this.</p>		

Organization	Yes or No	Question 2 Comment
<p>If the process revisions are implemented, the balloting website will clearly indicate how votes are considered and counted towards consensus and quorum. The SCPS believes stakeholders that vote 'No' and provide no comment are not supplying helpful guidance to the SDT. This leads to inefficiency and prolongs the standards development process because the SDT is guessing at what the industry concerns are. The SCPS has an obligation to be responsive to the SPIG recommendations and to maintain the 'status quo' is not responsive nor does it address the concerns with SDTs having the ability to develop quality standards in a timely fashion that achieve industry consensus. The SPCS also believes that the current time requirements associated with the individual steps within the standard development process are necessary to minimize the time required for the development of standards. Extending the ballot window from 10 calendar days to 10 working days would be counter to the SPIG recommendations which are calling for improvements to shorten the process.</p>		
<p>Hydro One</p>	<p>No</p>	<p>Hydro One disagrees with the proposed approach for the treatment of negative votes without comments or with comments that are judged to be unrelated to the standard. We believe that while it is desirable for SDTs to know what the objections are, negative votes should be always counted for both the quorum AND the consensus result. The approach should be one of reaching out to the members with negative votes giving them ample opportunity to explain. This can be done through direct contact, modifications to the balloting software, immediate access to the comments submitted by others so they can concur and agree, etc. We recognize that some safeguards were added to the proposed SPM to allow for some of the above. However, in order to make it appear fair, a review/report/appeal process was added. The result is that ballot results will not be final until such process is completed, which could in certain cases take several months. The above will introduce delays that could in cases more than offset any time gains obtained by the efficiencies introduced in other parts of the process. We believe the ballot process must be open, simple and efficient. If the reaching out and communication initiatives mentioned above are implemented, we see no reason to change the way ballots are currently counted, that is, count ALL negative votes, including those without comments in the consensus results. If the proposal is implemented, we request that (a) software is modified to allow check-boxes to be used to indicate objections; (b) access to comments submitted by others immediately after received; (c) software should accept as valid concurrence with comments submitted by other entities; (d)</p>

Organization	Yes or No	Question 2 Comment
		<p>opportunity to submit comments during recirculation ballots which currently does not exist. It also raises the question on hat Criteria constitute a valid interpretation being used by NERC Standards and Legal Staff?</p>
<p>Response: It is NERC’s intent to enhance the information provided to the SDT with helpful and constructive input to allow them to efficiently revise a standard during its development to meet industry concerns. The SCPS believes that the informal and formal comment periods and the ballot periods provide the industry with ample opportunity to clearly articulate their potential opposition to a standard action. Requiring SDTs to reach out to individual negative balloters to further assess their concerns would be counterproductive to the SPIG recommendations and would significantly lengthen the development process.</p> <p>With respect to making modifications to NERC’s balloting software to provide a set of standard options for balloters to choose from to indicate the reason for a ‘no’ vote, the Standards Committee does not believe it is appropriate to provide specific details about NERC’s balloting software in the SPM. Ultimately, NERC has a responsibility to provide tools to support whatever process is developed, and NERC staff will be prepared via software or manual methods if necessary, to ensure that balloters will be able to submit comments at each stage of the balloting process including initial, additional and final ballot, including an option to indicate support for another entity’s comments without the need to submit full responses to every question. For this reason, SPM revisions will not contain details such as those in the SPIG recommendation. NERC is considering implementing software changes that will allow an entity’s comments to be visible immediately, but the current software tools used for commenting on standards projects do not allow this to be done at the current time.</p> <p>The SCPS believes stakeholders that vote ‘No’ and provide no comment are not supplying helpful guidance to the SDT. This leads to inefficiency and prolongs the standards development process because the SDT is guessing at what the industry concerns are. The SCPS believes that when the entity signifies that they will participate in the standards action ballot (i.e., joins the ballot pool), that entity assumes the responsibilities associated with participation in the standards development process.</p> <p>Regarding criteria for what constitutes a valid interpretation request, NERC must rely on guidance from the NERC Board of Trustees, which issued guidance at its November 2009 Board meeting.</p>		
<p>AECI and the G&T members Central Electric Power Cooperative, KAMO Power Cooperative, M&A Electric Power Cooperative, Northeast</p>	<p>No</p>	<p>AECI and its’ member G&T understands the reasoning for the desired change to the balloting process. However, we disagree with the changes that exclude negative votes without comment. AECI believes this process will not reduce the time to get a standard to BOT for approval. In fact with all the potential appeals and the process associated with the appeals process it will take longer for a standard to get to the</p>

Organization	Yes or No	Question 2 Comment
Electric Power Cooperative, NW Electric Power Cooperative, and ShoMe Power Electric Cooperative		BOT for approval. If “NO” votes w/o comment are not counted they should not be counted to create a quorum. On a side note; other means to assist voters to include a no vote reason have not been proposed here even though they were discussed. The current NERC balloting process is objectionable and does not provide an adequate means to include a reason for a negative ballot. NERC has not demonstrated nor communicated adequately that this issue can be adequately managed, therefore, No votes should count.
<p>Response: It is NERC’s intent to enhance the information provided to the SDT with helpful and constructive input to allow them to efficiently revise a standard during its development to meet industry concerns. The proposed revision of counting ‘No’ ballots toward quorum provides alignment with the ANSI requirements and supports NERC’s ability to maintain ANSI accreditation, which is directly responsive to SPIG Recommendation 1. The SCPS has re-examined this issue and determined that the drafted criteria for comment evaluation requires additional clarification and will be eliminated from the proposed revisions. However, the SCPS will continue to pursue the concept of ‘No’ ballots that are not accompanied by comments or referenced to comments not being counted in the calculation for consensus, but will however be included in the calculation of quorum.</p> <p>With respect to making modifications to NERC’s balloting software to provide a set of standard options for balloters to choose from to indicate the reason for a ‘no’ vote, the Standards Committee does not believe it is appropriate to provide specific details about NERC’s balloting software in the SPM. Ultimately, NERC has a responsibility to provide tools to support whatever process is developed, and NERC staff will be prepared via software or manual methods if necessary, to ensure that balloters will be able to submit comments at each stage of the balloting process including initial, additional and final ballot, including an option to indicate support for another entity’s comments without the need to submit full responses to every question. For this reason, SPM revisions will not contain details such as those in the SPIG recommendation.</p> <p>The SCPS believes stakeholders that vote ‘No’ and provide no comment are not supplying helpful guidance to the SDT. This leads to inefficiency and prolongs the standards development process because the SDT is guessing at what the industry concerns are. The SCPS believes that when the entity signifies that they will participate in the standards action ballot (i.e., joins the ballot pool), that entity assumes the responsibilities associated with participation in the standards development process.</p> <p>Finally, the appeals process in the SPM is a general appeals process that applies to every aspect of the process, and it is not necessary to reference the right to appeal in every section of the manual.</p>		

Organization	Yes or No	Question 2 Comment
MRO NSRF	No	<p>The NSRF believes that SPIG Recommendation #4 for “Negative Votes” without comments was not addressed in the revisions to the SPM as stated in the SPIG Report below: Ballot process shall: o Provide options for voting “No” with guiding choices for the answer with a comment section on the ballot. ----- -----Furthermore, with a dropdown menu in place, Section 4.11 Voting Positions appeals process regarding negative ballots is not needed and should be deleted.</p>
<p>Response: It is NERC’s intent to enhance the information provided to the SDT with helpful and constructive input to allow them to efficiently revise a standard during its development to meet industry concerns. With respect to making modifications to NERC’s balloting software to provide a set of standard options for balloters to choose from to indicate the reason for a ‘no’ vote, the Standards Committee does not believe it is appropriate to provide specific details about NERC’s balloting software in the SPM. Ultimately, NERC has a responsibility to provide tools to support whatever process is developed, and NERC staff will be prepared via software or manual methods if necessary, to ensure that balloters will be able to submit comments at each stage of the balloting process including initial, additional and final ballot, including an option to indicate support for another entity’s comments without the need to submit full responses to every question. For this reason, SPM revisions will not contain details such as those in the SPIG recommendation.</p>		
Florida Municipal Power Agency	No	<p>FMPA supports the concept of only counting “no” votes with related comments; however, FMPA checked the “no” box because we are concerned for how the Final Ballot will be conducted. The wording of Section 4.15 and Section 4.13 seems to conflict with the ability to comment with a “no” vote on the final ballot, especially in the case where an entity changes from a “yes” vote to a “no” vote, how will they be allowed to submit a related comment since Section 4.13 states that there will be no formal comment period with the Final Ballot? Typo, this issue was identified in SPIG Recommendation 5, not 4.</p>
<p>Response: Thank you for your comments and support. NERC has a responsibility to provide tools to support whatever process is developed, and NERC staff will be prepared via software or manual methods if necessary, to ensure that balloters will be able to submit comments at each stage of the balloting process including initial, additional and final ballot, including an option to indicate</p>		

Organization	Yes or No	Question 2 Comment
<p>support for another entity’s comments without the need to submit full responses to every question. For this reason, SPM revisions will not contain details such as those in the SPIG recommendation.</p>		
<p>SERC Planning Standards Subcommittee</p>	<p>No</p>	<p>We disagree with the process changes that exclude "no" votes for whatever reason. We believe the existing commenting and balloting process is efficient at developing consensus.</p>
<p>Response: It has been identified that the NERC standards development process could be made more efficient. The SPIG solicited the industry in response to these concerns and developed the recommendations to address them. The SCPS has an obligation to be responsive to the SPIG recommendations and to maintain the ‘status quo’ is not responsive nor does it address the concerns with SDTs having the ability to develop quality standards in a timely fashion that achieve industry consensus. It is NERC’s intent to enhance the information provided to the SDT with helpful and constructive input to allow them to efficiently revise a standard during its development to meet industry concerns. The SCPS believes stakeholders that vote ‘No’ and provide no comment are not supplying helpful guidance to the SDT. This leads to inefficiency and prolongs the standards development process because the SDT is guessing at what the industry concerns are. The SCPS believes that when the entity signifies that they will participate in the standards action ballot (i.e., joins the ballot pool), that entity assumes the responsibilities associated with participation in the standards development process.</p> <p>In response to comments concerning the time that would be added to the process in determining the “relevance” of comments associated with ‘no’ votes, the SCPS has modified its proposed revisions to the SPM so that no votes without comments would count toward quorum but would not count in the calculation of approval.</p>		
<p>Edison Electric Institute</p>	<p>No</p>	<p>The 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. The proposed process change is to disallow simple ‘no’ votes without comments for purposes of determining final ballot counts. It appears that the logic that moves from the SPIG recommendations to the process proposal to disallow simple ‘no’ votes is</p>

Organization	Yes or No	Question 2 Comment
		<p>based on the premise that ANSI requirements do not require consideration of ‘no’ votes without comments and since NERC seeks only to maintain minimum ANSI requirements, this process element is unnecessary. EEI cannot support the proposal. 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: Gains in efficiency are sometimes incremental in nature. Although it may be true that answering a unrelated comment or superfluous comment may be relatively straightforward and quick it is nonetheless not helpful and uses resources that could be better used elsewhere. It is NERC’s intent to enhance the information provided to the SDT with helpful and constructive input to allow them to efficiently revise a standard during its development to meet industry concerns. It is NERC’s intent to enhance the information provided to the SDT with helpful and constructive input to allow them to efficiently revise a standard during its development to meet industry concerns. The SCPS believes stakeholders that vote ‘No’ and provide no comment are not supplying helpful guidance to the SDT. This leads to inefficiency and prolongs the standards development process because the SDT is guessing at what the industry concerns are. The SCPS believes that when the entity signifies that they will participate in the standards action ballot (i.e., joins the ballot pool), that entity assumes the responsibilities associated with participation in the standards development process.</p> <p>In response to comments concerning the time that would be added to the process in determining the “relevance” of comments associated with ‘no’ votes, the SCPS has modified its proposed revisions to the SPM so that no votes without comments would count toward quorum but would not count in the calculation of approval. The SCPS believes stakeholders that vote ‘No’ and provide no comment are not supplying helpful guidance to the SDT. This leads to inefficiency and prolongs the standards development process because the SDT is guessing at what the industry concerns are. The SCPS believes that when the entity signifies that they will participate in the standards action ballot (i.e., joins the ballot pool), that entity assumes the responsibilities associated with</p>		

Organization	Yes or No	Question 2 Comment
<p>participation in the standards development process.</p> <p>With respect to making modifications to NERC’s balloting software to provide a set of standard options for balloters to choose from to indicate the reason for a ‘no’ vote, the Standards Committee does not believe it is appropriate to provide specific details about NERC’s balloting software in the SPM. Ultimately, NERC has a responsibility to provide tools to support whatever process is developed, and NERC staff will be prepared via software or manual methods if necessary, to ensure that balloters will be able to submit comments at each stage of the balloting process including initial, additional and final ballot, including an option to indicate support for another entity’s comments without the need to submit full responses to every question. For this reason, SPM revisions will not contain details such as those in the SPIG recommendation, and NERC agrees with EEI that the timing of software changes should not be a limiting factor in moving forward with process improvements..</p>		
<p>Arizona Public Service Company</p>	<p>No</p>	<p>Elimination of negative votes of any kind in calculating industry consensus will be a mistake. Particularly elimination of negative votes with comments considered to be not relevant. There are no defined criteria as to what is a relevant comment and the determination will be subjective. If two thirds of the members do not vote affirmative, the standard should not pass. Eliminating the negative votes without comments or with comments not considered to be relevant could result into a standard which has great deficiency. If a voting member votes no, it should be counted no matter what</p>
<p>Response: It is NERC’s intent to enhance the information provided to the SDT with helpful and constructive input to allow them to efficiently revise a standard during its development to meet industry concerns. The SCPS believes stakeholders that vote ‘No’ and provide no comment are not supplying helpful guidance to the SDT. This leads to inefficiency and prolongs the standards development process because the SDT is guessing at what the industry concerns are. The SCPS believes that when the entity signifies that they will participate in the standards action ballot (i.e., joins the ballot pool), that entity assumes the responsibilities associated with participation in the standards development process.</p> <p>In response to comments concerning the time that would be added to the process in determining the “relevance” of comments associated with ‘no’ votes, the SCPS has modified its proposed revisions to the SPM so that no votes without comments would count toward quorum but would not count in the calculation of approval.</p>		
<p>Occidental Energy Ventures</p>	<p>No</p>	<p>Industrial Consumers are very concerned that entities that submit “No” votes without</p>

Organization	Yes or No	Question 2 Comment
<p>Corp. (OEVC) and Electricity Consumers Resource Council (ELCON) together called Industrial Consumers</p>		<p>any explanation may slow the development of certain standards. However, there is also a concern for Stakeholders that represent several affiliated NERC Registered Entities; while one Entity may be registered in the Ballot Body, the comments may be submitted under another Affiliate or through a Trade Association. There needs to be a way to add a comment in the voting process to state “see comments submitted under Company XYZ for this ballot”. Similarly, there needs to be a linkage between comments provided during the review and the balloting applications. An automated solution makes the most sense and should save time and effort required by the Project Team and Industry Stakeholders alike. In addition, we are concerned that a project team can reject a commented “No” vote because the answer does not align with the question as written. We agree with the general need to ensure that negative feedback is helpful. Industrial Consumers also are very aware of the significant effort the Standards Committee Process Subcommittee (SCPS) has been taking in an attempt to develop a process by which “No” votes are considered without slowing the process. Industrial Consumers compliment the SCPS for its efforts and point out the complexity of this issue. Industrial Consumers are concerned that if this issue is not resolved to the satisfaction of all stakeholders, it could result in the rejection of the entire process. Thus, Industrial Consumers urge the Standards Committee to be very cautious in recommending SPM changes until the SC is sure that stakeholders are comfortable with the proposed changes. Industrial Consumers are not convinced that the language in the proposed changes to the SPM will be acceptable to all stakeholders.</p>
<p>Response: In response to comments concerning the time that would be added to the process in determining the “relevance” of comments associated with ‘no’ votes, the SCPS has modified its proposed revisions to the SPM so that no votes without comments would count toward quorum but would not count in the calculation of approval. The SCPS believes stakeholders that vote ‘No’ and provide no comment are not supplying helpful guidance to the SDT. This leads to inefficiency and prolongs the standards development process because the SDT is guessing at what the industry concerns are. The SCPS believes that when the entity signifies that they will participate in the standards action ballot (i.e., joins the ballot pool), that entity assumes the responsibilities associated with participation in the standards development process.</p>		

Organization	Yes or No	Question 2 Comment
<p>With respect to making modifications to NERC’s software - ultimately, NERC has a responsibility to provide tools to support whatever process is developed, and NERC staff will be prepared via software or manual methods if necessary, to ensure that balloters will be able to submit comments at each stage of the balloting process including initial, additional and final ballot, including an option to indicate support for another entity’s comments without the need to submit full responses to every question. For this reason, SPM revisions will not contain details about software.</p>		
<p>National Rural Electric Cooperative Association (NRECA)</p>	<p>No</p>	<p>While NRECA agrees it would be helpful if “negative” votes included some form of written support, we are concerned that judgment of whether a comment with a “negative” vote is adequate is likely to be very subjective. It will be a difficult and subjective exercise for SDTs and/or NERC to judge whether a “negative” vote comment is good enough for that vote to be counted towards the ballot result. While the process in the draft SPM provides the “negative” balloter the opportunity to provide a comment after the ballot is concluded that will allow for their vote to be counted, NRECA is concerned that the proposed SPM revisions in this topic area will be very difficult to implement without a significant number of appeals being submitted. To complicate matters, currently a balloter cannot submit a comment with an “affirmative” or “negative” vote. NRECA is not sure of the reason for this current limitation and asks when will this be corrected? Based on the preceding statements, NRECA requests that the proposed modifications to the SPM related to “negative” ballots without comment, or related comment, be deleted. At this time we believe staying with the current process is better than making changes that could be problematic. NRECA also requests clarification regarding the reasoning for removing abstentions from counting toward quorum.</p>
<p>Response: In response to comments concerning the time that would be added to the process in determining the “relevance” of comments associated with ‘no’ votes, the SCPS has modified its proposed revisions to the SPM so that no votes without comments would count toward quorum but would not count in the calculation of approval. The SCPS believes stakeholders that vote ‘No’ and provide no comment are not supplying helpful guidance to the SDT. This leads to inefficiency and prolongs the standards development process because the SDT is guessing at what the industry concerns are. The SCPS believes that when the entity signifies that they will participate in the standards action ballot (i.e., joins the ballot pool), that entity assumes the responsibilities associated</p>		

Organization	Yes or No	Question 2 Comment
<p>with participation in the standards development process.</p> <p>With respect to making modifications to NERC’s balloting software - ultimately, NERC has a responsibility to provide tools to support whatever process is developed, and NERC staff will be prepared via software or manual methods if necessary, to ensure that balloters will be able to submit comments at each stage of the balloting process including initial, additional and final ballot, including an option to indicate support for another entity’s comments without the need to submit full responses to every question. For this reason, SPM revisions will not contain details about software.</p> <p>The method for determining quorum has been corrected to include abstentions as the current SPM does.</p>		
Liberty Electric Power	No	<p>Serious ethical questions arise when individuals with an interest in passing a standard decide whether a comment is "related". All negative votes should count in the balloting. Should the concept of requiring a comment survive, the manual should be modified to allow any comment for the purpose of counting the vote as a negative in the ballot calculations. There have been many cases where a comment has been rejected as beyond the intent of the SDT. These comments are germane, but are subject to rejection. Removal of subjective decisions on the validity of comments is the only fair practice.</p>
<p>Response: The SCPS has modified its proposed revisions to the SPM so that no votes without comments would count toward quorum but would not count in the calculation of approval. No votes with comments of any kind would count toward achieving a quorum and the calculation of the approval.</p>		
Manitoba Hydro	No	<p>The proposed revision does not address Recommendation 4, as it does not address the issues of results-based standards, cost-effectiveness of standards, alignment of RSAWs with standards or retirement of unnecessary standards. The proposed revision simply encourages constructive feedback, which may facilitate achieving “consensus”, since “consensus” will essentially be redefined to exclude certain negative voters. It does not address Recommendation 4.</p>
<p>Response: The SCPS recognizes that the question asked in the comment form incorrectly identified this revision with Recommendation 4 from the SPIG report. The revisions associated with the ‘No Ballot’ issue are in response to recommendations 1 &</p>		

Organization	Yes or No	Question 2 Comment
5.		
Con Edison	No	<p>The revised manual needs to clarify the treatment of negative votes. For example, if an entity votes negative and references consensus comments submitted by their Regional Entity, this negative vote should be counted towards determining industry consensus. We note that in the existing ballot process there are no longer text boxes with the ballot, so how would the comment status of a ballot determined? Who decides what comments are constructive, appropriate and related (an acceptable comment) and which are not (inappropriate and unrelated)? Is there an appeal process? The SPIG must ensure that negative votes are not inappropriately disenfranchised.</p>
<p>Response: In response to comments concerning the time that would be added to the process in determining the “relevance” of comments associated with ‘no’ votes, the SCPS has modified its proposed revisions to the SPM so that no votes without comments would count toward quorum but would not count in the calculation of approval. No votes with comments of any kind would count toward achieving a quorum and the calculation of the approval.</p> <p>The SCPS believes stakeholders that vote ‘No’ and provide no comment are not supplying helpful guidance to the SDT. This leads to inefficiency and prolongs the standards development process because the SDT is guessing at what the industry concerns are. The SCPS believes that when the entity signifies that they will participate in the standards action ballot (i.e., joins the ballot pool), that entity assumes the responsibilities associated with participation in the standards development process.</p> <p>With respect to NERC’s balloting software - ultimately, NERC has a responsibility to provide tools to support whatever process is developed, and NERC staff are prepared via software or manual methods if necessary, to ensure that balloters will be able to submit comments at each stage of the balloting process including initial, additional and final ballot, including an option to indicate support for another entity’s comments without the need to submit full responses to every question. In the current process, NERC can and does manually correlate comments with ballots (including comments submitted by affiliated entities – NERC must maintain an awareness of which entities are ‘affiliated’ in order to maintain the Registered ballot Body in accordance with the Rules of Procedure). For this reason, SPM revisions will not contain details about software.</p>		
Kansas City Power & Light	No	<p>Although the proposed changes reflect the ANSI process, this proposal to dismiss negative votes that have no comment or are deemed to have unrelated comments</p>

Organization	Yes or No	Question 2 Comment
		<p>does not reflect a representative process nor respects industry guidance. Further the “due process” that is proposed for entities to “appeal” the dismissal of a negative vote will unnecessarily burden the ballot process and result in a delay of determining industry consensus. In addition, the determination of whether a negative comment has merit will take time from the SDT and distract the SDT from the more fruitful activity of developing the standard and requirements. Recommend the current voting process remain and the proposed voting process not be implemented.</p>
<p>Response: The SCPS has an obligation to be responsive to the SPIG recommendations and to maintain the ‘status quo’ is not responsive nor does it address the concerns with SDTs having the ability to develop quality standards in a timely fashion that achieve industry consensus. In response to comments concerning the time that would be added to the process in determining the “relevance” of comments associated with ‘no’ votes, the SCPS has modified its proposed revisions to the SPM so that no votes without comments would count toward quorum but would not count in the calculation of approval. No votes with comments of any kind would count toward achieving a quorum and the calculation of the approval.</p> <p>The SCPS believes stakeholders that vote ‘No’ and provide no comment are not supplying helpful guidance to the SDT. This leads to inefficiency and prolongs the standards development process because the SDT is guessing at what the industry concerns are. The SCPS believes that when the entity signifies that they will participate in the standards action ballot (i.e., joins the ballot pool), that entity assumes the responsibilities associated with participation in the standards development process.</p>		
Texas Reliability Entity	No	<p>Further clarification about when “No” votes will not be counted should be provided, per the discussion at the July Standards Committee meeting. In particular, it should be clear that any relevant comment will be accepted and the corresponding vote will be counted. Would a comment like “This standard provides no reliability benefit” be sufficient?</p>
<p>Response: In response to comments concerning the time that would be added to the process in determining the “relevance” of comments associated with ‘no’ votes, the SCPS has modified its proposed revisions to the SPM so that no votes without comments would count toward quorum but would not count in the calculation of approval. No votes with comments of any kind would count toward achieving a quorum and the calculation of the approval.</p>		

Organization	Yes or No	Question 2 Comment
American Electric Power	No	<p>Regarding SPIG looking into the issue of “no votes without comments”, it needs to be determined exactly why these kinds of votes are being cast and what challenges they might be causing. This needs to be fully understood and communicated before any solution is proposed and discussed. Until that is accomplished, we are unable to determine whether or not the proposed changes are the best course of action. In addition, we are very uncomfortable with the concept of somehow counting “no votes without comments” toward the quorum, and yet not count them towards the vote count itself. In essence, these votes would be counted as abstaining votes. It would be unacceptable to assign “no votes without comments” a different applicability or weight than “yes votes without comments”, as in the manner proposed.</p>
<p>Response: In response to comments concerning the time that would be added to the process in determining the “relevance” of comments associated with ‘no’ votes, the SCPS has modified its proposed revisions to the SPM so that no votes without comments would count toward quorum but would not count in the calculation of approval. No votes with comments of any kind would count toward achieving a quorum and the calculation of the approval.</p> <p>The proposed revision of counting ‘No’ ballots toward quorum provides alignment with the ANSI requirements and supports NERC’s ability to maintain ANSI accreditation, which is directly responsive to SPIG Recommendation 1. The SCPS believes that there is a distinct difference between a ‘Yes’ vote without comments and a ‘No’ vote without comments. The ‘Yes’ vote essentially is signifying agreement with the proposed standard action and a ‘No’ vote signifies or indicates disagreement with the proposed standard action. The SCPS believes stakeholders that vote ‘No’ and provide no comment are not supplying helpful guidance to the SDT. This leads to inefficiency and prolongs the standards development process because the SDT is guessing at what the industry concerns are.</p>		
Pepco Holdings Inc.	No	<p>Only NO votes without any comments should not be included in the determination of outcome. If a NO vote has any comment it should be included in the quorum and the calculation.</p>
<p>Response: In response to comments concerning the time that would be added to the process in determining the “relevance” of comments associated with ‘no’ votes, the SCPS has modified its proposed revisions to the SPM so that no votes without comments would count toward quorum but would not count in the calculation of approval. No votes with comments of any kind would count</p>		

Organization	Yes or No	Question 2 Comment
toward achieving a quorum and the calculation of the approval.		
NextEra Energy Inc	No	NextEra generally favors a clear bright line that only discounts a “no” vote when no comments are submitted.
<p>Response: In response to comments concerning the time that would be added to the process in determining the “relevance” of comments associated with ‘no’ votes, the SCPS has modified its proposed revisions to the SPM so that no votes without comments would count toward quorum but would not count in the calculation of approval. No votes with comments of any kind would count toward achieving a quorum and the calculation of the approval.</p>		
Flathead Electric Cooperative, Inc.	No	<p>I can’t support the voting change even if it may still comply with ANSI standard development requirements. The ANSI process is generally used for voluntary standards rather than for mandatory/sanctionable standards, so that going above and beyond the ANSI process to provide a broad unfettered voting pool is appropriate. Requiring “related” comments with a negative vote, but not a positive vote dilutes the voting pool for those that disagree with the proposal. Tasking drafting teams with making this distinction of what is “related” seems problematic at best. In addition, this change could violate the due process mandate in Section 215 of the FPA requires NERC “provide for reasonable notice and opportunity for public comment, due process, openness, and balance of interests in developing reliability standards and otherwise exercising its duties” Allowing the drafting team to omit any negative vote and comment it deems not “related” does not appear to pass either a “due process” or a “balance of interests” test.</p>
<p>Response: In response to comments concerning the time that would be added to the process in determining the “relevance” of comments associated with ‘no’ votes, the SCPS has modified its proposed revisions to the SPM so that no votes without comments would count toward quorum but would not count in the calculation of approval. No votes with comments of any kind would count toward achieving a quorum and the calculation of the approval.</p>		
Public Service Enterprise Group	No	First, we ask whether last paragraph above should have referred to Recommendation 1 instead of Recommendation 4. Second, with the objective of maximizing

Organization	Yes or No	Question 2 Comment
		<p>transparency, we would like to see the ballot results posted to show which ballots were rejected that meet the criteria for not counting “Negative” ballots. We believe that this information should be made public as soon as possible after the ballot window closes, even though the process in Section 4.11 for addressing a negative ballot may not be completed. If this change is made to the SPM, we would agree with the treatment of “Negative” ballots.</p>
<p>Response: The SCPS recognizes that the question asked in the comment form incorrectly identified this revision with Recommendation 4 from the SPIG report. In response to comments concerning the time that would be added to the process in determining the “relevance” of comments associated with ‘no’ votes, the SCPS has modified its proposed revisions to the SPM so that no votes without comments would count toward quorum but would not count in the calculation of approval. No votes with comments of any kind would count toward achieving a quorum and the calculation of the approval.</p>		
<p>Illinois Municipal Electric Agency</p>	<p>No</p>	<p>A "No" vote should be included in both the determination of quorum and determination of consensus regardless of submittal of comment. In order to achieve better use of NERC and registered entity resources, and timely adoption of better reliability standards, the SDT should not be spending time assessing whether a comment is related to the proposal under consideration; i.e., critiquing the quality of a comment. NERC should also not be spending resources to develop tools to link a ballot pool member's vote to comments. The separate comment process should be adequate to provide the SDT constructive input and improve timely stakeholder consensus. If a ballot pool member appears to be abusing the ballot process, this can be addressed through other means.</p>
<p>Response: In response to comments concerning the time that would be added to the process in determining the “relevance” of comments associated with ‘no’ votes, the SCPS has modified its proposed revisions to the SPM so that no votes without comments would count toward quorum but would not count in the calculation of approval. No votes with comments of any kind would count toward achieving a quorum and the calculation of the approval.</p>		
<p>Duke Energy</p>	<p>No</p>	<p>This change goes beyond the SPIG proposal to “provide options for voting no with guidance choices for the answer with a comment section on the ballot.” Providing</p>

Organization	Yes or No	Question 2 Comment
		<p>comments is undoubtedly important to facilitating the SDT in crafting a standard that advances reliability, and increases the probability that the industry will develop the requisite consensus. For these reasons Duke Energy offers support for NERC’s efforts to educate the industry on the importance of providing comments and efforts to facilitate that commenting through voting software changes. An entity’s prerogative to have their vote counted, however, should not be dependent on their submittal of what are judged “related” comments.</p>
<p>Response: In response to comments concerning the time that would be added to the process in determining the “relevance” of comments associated with ‘no’ votes, the SCPS has modified its proposed revisions to the SPM so that no votes without comments would count toward quorum but would not count in the calculation of approval. No votes with comments of any kind would count toward achieving a quorum and the calculation of the approval.</p> <p>The SCPS believes stakeholders that vote ‘No’ and provide no comment are not supplying helpful guidance to the SDT. This leads to inefficiency and prolongs the standards development process because the SDT is guessing at what the industry concerns are. The SCPS believes that when the entity signifies that they will participate in the standards action ballot (i.e., joins the ballot pool), that entity assumes the responsibilities associated with participation in the standards development process.</p> <p>With respect to NERC’s balloting software and “providing options for voting no with guidance choices for the answer with a comment section on the ballot” - ultimately, NERC has a responsibility to provide tools to support whatever process is developed, and NERC staff are prepared via software or manual methods if necessary, to ensure that balloters will be able to submit comments at each stage of the balloting process including initial, additional and final ballot, including an option to indicate support for another entity’s comments without the need to submit full responses to every question. In the current process, NERC can and does manually correlate comments with ballots (including comments submitted by affiliated entities – NERC must maintain an awareness of which entities are ‘affiliated’ in order to maintain the Registered ballot Body in accordance with the Rules of Procedure). For this reason, SPM revisions will not contain details about software.</p>		
FirstEnergy Corp	No	<p>1. Although FE agrees that “No votes without comments” do not help the drafting team in the development of the standard and believes all balloters should provide a comment, we do not agree with discounting “No Votes without comments” for ballot approval while counting “No Votes without comments” in calculation of the quorum. Although this meets ANSI, we believe NERC should not adopt this proposal. 2. It may</p>

Organization	Yes or No	Question 2 Comment
		<p>be a slippery slope to allow drafting teams to judge whether or not a comment accompanying a negative vote is relevant. Allowing this provision will only have the potential to create controversy among the industry, the drafting teams, and NERC and will not enhance the process. Although FE believes all votes should be relevant in determining ballot outcomes, at a minimum only “No votes without comments” should be excluded. This removes the subjectivity that is introduced when assessing the relevance of a provided comment. Additionally, the process described will prolong a standard development process which is already scrutinized for its ability to timely produce standards. The changes include an additional 40 days allotted for the SDT to inform NERC staff/Legal of negative votes with unrelated comments (and without comments) and the time afforded the balloter to adjust their comments. 3. The statements in sec. 4.11 are troublesome and should be revised. In the bullet item for “Negative with related comments” it states that “Comments should include guidance/input to the drafting team that would assist efforts that would make revisions to the Reliability Standard acceptable and enable an affirmative vote in a subsequent ballot.” Although we tend to agree with this, it should not be mandated and suggest changing the phrase “comments should include” to “comment are encouraged to include”4. The voting process adopted by NERC will need to be adequately communicated to industry through education such as webinars so that industry ballot body members are clear on the final rules whatever they may be..</p>
<p>Response: In response to comments concerning the time that would be added to the process in determining the “relevance” of comments associated with ‘no’ votes, the SCPS has modified its proposed revisions to the SPM so that no votes without comments would count toward quorum but would not count in the calculation of approval. No votes with comments of any kind would count toward achieving a quorum and the calculation of the approval.</p> <p>Thank you for your suggestion concerning industry education. It will be considered when the process revisions are approved and prior to the implementation.</p>		
Ameren	No	(1) We do not agree with the SDT’s proposal; the subjectivity in determining whether a set of comments received with a “NO” vote are relevant or not would be

Organization	Yes or No	Question 2 Comment
		<p>problematic. At the very least, a provision is essential for those providing “NO” votes to see how their comments are handled, and for formally addressing any disregarding of such comments on grounds of irrelevance and thereby not counting “NO” vote for consensus.(2) We believe it is reasonable for SDT to expect a reason for voting “NO”; however, as the SPIG has suggested (See Page 14) - the SDT should provide guiding choices to help with the "no" vote. In this respect we suggest the SDT to provide details on this guidance. (3) In instances where, “NO” votes are disregarded for purposes of determining consensus on a standard, an extreme scenario would be where there is a little industry support for a given standard, yet it becomes an approved standard anyway. (4) We believe that ‘No’ votes should be considered, even if comments are not included, because everyone will need to live with standards which receive approval. (5) If the SDT recommends to discount “NO” votes for consensus, then we would request the SDT to provide details of the Appeals process.</p>
<p>Response: In response to comments concerning the time that would be added to the process in determining the “relevance” of comments associated with ‘no’ votes, the SCPS has modified its proposed revisions to the SPM so that no votes without comments would count toward quorum but would not count in the calculation of approval. No votes with comments of any kind would count toward achieving a quorum and the calculation of the approval.</p>		
<p>Indiana Municipal Power Agency</p>	<p>No</p>	<p>IMPA believes that all votes should be considered when developing industry consensus on a NERC standard. If an individual from an entity takes the time to cast a vote it should be counted, regardless if it has comments or comments that are deemed not related to the proposal under consideration. An individual may not comment for a number of reasons such as a lack of time at that particular instance or they may be voting against a standard for a reason they wish not to disclose or be made public. IMPA views not counting negative votes with comments that are unrelated to the standard or interpretation as problematic. An entity may submit a comment that in their view pertains to the standard under consideration and yet NERC may consider it not related. IMPA understands there is an appeal process of the decision not to count a “no” vote with comments, but for something as fundamental as a right to cast a vote in one entity’s own opinion, then having to</p>

Organization	Yes or No	Question 2 Comment
		<p>justify it against a potentially subjective determination is not an improvement of the process. Another point that weighs in our comment is the extra time that it would entail to appeal a rejection of a “no” vote comment on both the entity’s and NERC’s side. An entity may not choose that route due to time constraints already encountered due to the large volume of reliability standard work on everyone’s plate. Therefore, IMPA supports counting all votes casted on a proposal under consideration and believes this to be the best solution for the timely development of standards. By not counting “no” votes with unrelated comments, an appeal process is added and could potentially hold up the standard process, especially if there is a relative high number of them.</p>
<p>Response: In response to comments concerning the time that would be added to the process in determining the “relevance” of comments associated with ‘no’ votes, the SCPS has modified its proposed revisions to the SPM so that no votes without comments would count toward quorum but would not count in the calculation of approval. No votes with comments of any kind would count toward achieving a quorum and the calculation of the approval.</p>		
<p>American Transmission Company</p>	<p>No</p>	<p>ATC’s comments are a repeat of its comments from question 1. Ballot process shall: o Provide options for voting “No” with guiding choices for the answer with a comment section on the ballot This item was a major discussion point for SPIG and it is not addressed in the proposed SPM. We remind the group modifying the SPM, that the reason for the recommendation is to insure that every “no” vote would have a comment, which eliminates the need for determine if votes should be counted. Because the modification did not incorporate this recommendation completely the team has both rehashed the discussion that took place under SPIG and had to include unnecessary language about appealing “no” votes with comments. The SPIG solution must be incorporated into the SPM In addition to the above comment, we have concerns with the way the team interpreted this clear recommendation. The proposed language fails to give clear guidance as to how “no” votes will be rejected and does not meet the intent of the NERC Board’s approval of the SPIG report.</p>
<p>Response: In response to comments concerning the time that would be added to the process in determining the “relevance” of</p>		

Organization	Yes or No	Question 2 Comment
		<p>comments associated with ‘no’ votes, the SCPS has modified its proposed revisions to the SPM so that no votes without comments would count toward quorum but would not count in the calculation of approval. No votes with comments of any kind would count toward achieving a quorum and the calculation of the approval.</p> <p>The SCPS believes stakeholders that vote ‘No’ and provide no comment are not supplying helpful guidance to the SDT. This leads to inefficiency and prolongs the standards development process because the SDT is guessing at what the industry concerns are. The SCPS believes that when the entity signifies that they will participate in the standards action ballot (i.e., joins the ballot pool), that entity assumes the responsibilities associated with participation in the standards development process.</p> <p>With respect to NERC’s balloting software and “providing options for voting no with guidance choices for the answer with a comment section on the ballot” - ultimately, NERC has a responsibility to provide tools to support whatever process is developed, and NERC staff are prepared via software or manual methods if necessary, to ensure that balloters will be able to submit comments at each stage of the balloting process including initial, additional and final ballot, including an option to indicate support for another entity’s comments without the need to submit full responses to every question. In the current process, NERC can and does manually correlate comments with ballots (including comments submitted by affiliated entities – NERC must maintain an awareness of which entities are ‘affiliated’ in order to maintain the Registered ballot Body in accordance with the Rules of Procedure). For this reason, SPM revisions will not contain details about software.</p>
<p>ISO New England Inc.</p>	<p>No</p>	<p>We have strong concerns with discounting negative votes without comments or the rejection of ballots for unrelated comments. Ultimately an individual has the right to say a standard is not needed and that no amount of tweaking will make it acceptable. The voting section is very confusing regarding abstentions and how these are accounted for in either the quorum or approval calculations. The confusion would be minimized if the current process was not changed. There was intermingling of “calendar days” and “business days” in this section. We believe the ballot body should get 10 business days to vote.</p>
<p>Response: In response to comments concerning the time that would be added to the process in determining the “relevance” of comments associated with ‘no’ votes, the SCPS has modified its proposed revisions to the SPM so that no votes without comments would count toward quorum but would not count in the calculation of approval. No votes with comments of any kind would count toward achieving a quorum and the calculation of the approval.</p> <p>The SCPS believes stakeholders that vote ‘No’ and provide no comment are not supplying helpful guidance to the SDT. This leads to</p>		

Organization	Yes or No	Question 2 Comment
		<p>inefficiency and prolongs the standards development process because the SDT is guessing at what the industry concerns are. The SCPS believes that when the entity signifies that they will participate in the standards action ballot (i.e., joins the ballot pool), that entity assumes the responsibilities associated with participation in the standards development process.</p> <p>The SCPS has an obligation to be responsive to the SPIG recommendations and to maintain the ‘status quo’ is not responsive nor does it address the concerns with SDTs having the ability to develop quality standards in a timely fashion that achieve industry consensus. The SPCS also believes that the current time requirements associated with the individual steps within the standard development process are necessary to minimize the time required for the development of standards. Extending the ballot window from 10 calendar days to 10 working days would be counter to the SPIG recommendations which are calling for improvements to shorten the process.</p>
Trans Bay Cable LLC	No	<p>I can’t support the voting change even if it may still comply with ANSI standard development requirements. The ANSI process is generally used for "voluntary" standards or industry guidelines such as IEE 693, rather than for mandatory/sanctionable standards, so that going above and beyond the ANSI process to provide a broad unfettered voting pool is appropriate. Requiring “related” comments with a negative vote, but not a positive vote dilutes the voting pool for those that disagree with the proposal. Tasking drafting teams with making this distinction of what is “related” seems problematic at best. In addition, this change could violate the due process mandate in Section 215 of the FPA requires NERC “provide for reasonable notice and opportunity for public comment, due process, openness, and balance of interests in developing reliability standards and otherwise exercising its duties” Allowing the drafting team to omit any negative vote and comment it deems not “related” does not appear to pass either a “due process” or a “balance of interests” test.</p>
<p>Response: In response to comments concerning the time that would be added to the process in determining the “relevance” of comments associated with ‘no’ votes, the SCPS has modified its proposed revisions to the SPM so that no votes without comments would count toward quorum but would not count in the calculation of approval. No votes with comments of any kind would count toward achieving a quorum and the calculation of the approval.</p>		

Organization	Yes or No	Question 2 Comment
Exelon Corporation	No	<p>Exelon supports the EEI comments on Negative Votes and cannot support the current approach. Including all negative votes to achieve quorum but not allowing equal representation in the vote is disingenuous. Negative votes without comment may not provide input to the standard work, but negative votes may or may not be inconsistent with consensus building. The SPM does not address who and how a comment is deemed unrelated to a proposed standard. It's conceivable that broader influences may be driving a vote that may be unrelated to proposed standard language, but equally valid in determining a vote. Also at play is that the current voting system does not allow voters to submit comments with their vote. This is understandable in avoiding duplicative comments between the comment form and the ballot, but at present, votes are not easily aligned with the separately submitted comments forms. An added technical issue is that at present, no comments are allowed in a recirculation ballot. If the SCPS insists on only counting negative votes with comments, please confirm that that opportunity to comment will be available in the Final Ballot (section 4.14). In addition, please explain the rationale behind removing abstentions from the quorum (section 4.10). Abstentions have a separate meaning to voters. As currently worded, abstentions hold the same presence as non-responses which is contrary to the distinction. While the ultimate goal is to develop and pass Reliability Standards, this approach appears to be an attempt to "stuff the ballot box." This is contrary to representation in the full process. The technical issues are likely to be easily addressed; however, such a restriction on the use of negative votes and abstentions warrants reconsideration and a more full explanation of the management of these votes.</p>
<p>Response: In response to comments concerning the time that would be added to the process in determining the "relevance" of comments associated with 'no' votes, the SCPS has modified its proposed revisions to the SPM so that no votes without comments would count toward quorum but would not count in the calculation of approval. No votes with comments of any kind would count toward achieving a quorum and the calculation of the approval.</p> <p>The SCPS believes stakeholders that vote 'No' and provide no comment are not supplying helpful guidance to the SDT. This leads to inefficiency and prolongs the standards development process because the SDT is guessing at what the industry concerns are. The</p>		

Organization	Yes or No	Question 2 Comment
<p>SCPS believes that when the entity signifies that they will participate in the standards action ballot (i.e., joins the ballot pool), that entity assumes the responsibilities associated with participation in the standards development process.</p> <p>With respect to NERC’s balloting software and “providing options for voting no with guidance choices for the answer with a comment section on the ballot” - ultimately, NERC has a responsibility to provide tools to support whatever process is developed, and NERC staff are prepared via software or manual methods if necessary, to ensure that balloters will be able to submit comments at each stage of the balloting process including initial, additional and final ballot, including an option to indicate support for another entity’s comments without the need to submit full responses to every question. In the current process, NERC can and does manually correlate comments with ballots (including comments submitted by affiliated entities – NERC must maintain an awareness of which entities are ‘affiliated’ in order to maintain the Registered ballot Body in accordance with the Rules of Procedure). For this reason, SPM revisions will not contain details about software.</p> <p>The calculation of a quorum has been revised to include abstentions in the same manner as the current SPM.</p>		
<p>Xcel Energy</p>	<p>No</p>	<p>1) We appreciate what was trying to be accomplished with this modification. However, the process to determine if an entity's comment is unrelated seems cumbersome and potentially long, plus there is the possibility that ballot results would not be final for 60+ days. Therefore, we do not see how this change would benefit standard drafting teams or NERC staff. (Nor do we feel it will speed up the process.) The Xcel Energy personnel that participate on standard drafting teams indicated that it is rare to get a truly unrelated comment anyway. So, we recommend that the negative vote be counted in the total approval count, and that the process be removed. We do agree that ballots with no comment at all should not be counted in the ballot pool approval.2) "Consensus vote", under section 1.4, should be modified to match the wording in section 4.10.</p>
<p>Response: In response to comments concerning the time that would be added to the process in determining the “relevance” of comments associated with ‘no’ votes, the SCPS has modified its proposed revisions to the SPM so that no votes without comments would count toward quorum but would not count in the calculation of approval. No votes with comments of any kind would count toward achieving a quorum and the calculation of the approval.</p> <p>The SCPS believes stakeholders that vote ‘No’ and provide no comment are not supplying helpful guidance to the SDT. This leads to inefficiency and prolongs the standards development process because the SDT is guessing at what the industry concerns are. The</p>		

Organization	Yes or No	Question 2 Comment
<p>SCPS believes that when the entity signifies that they will participate in the standards action ballot (i.e., joins the ballot pool), that entity assumes the responsibilities associated with participation in the standards development process.</p> <p>The calculation of a quorum has been revised to include abstentions in the same manner as the current SPM.</p>		
<p>Western Electricity Coordinating Council</p>	<p>Yes</p>	<p>WECC believes that the proposed revision adequately addresses recommendation 4 provided the intent is to encourage meaningful feedback to the drafting teams. WECC would be opposed to any change in this area that was intended to allow negative votes to be discounted for the sole purpose of advancing a standard by improving the approval percentage.</p>
<p>Response: In response to comments concerning the time that would be added to the process in determining the “relevance” of comments associated with ‘no’ votes, the SCPS has modified its proposed revisions to the SPM so that no votes without comments would count toward quorum but would not count in the calculation of approval. No votes with comments of any kind would count toward achieving a quorum and the calculation of the approval.</p>		
<p>SPP Standards Review Group</p>	<p>Yes</p>	<p>We don’t take issue with the proposal for handling ‘no’ votes but would like clarification on one specific item. During discussions on ‘no’ votes in another arena, a question came up regarding whether a comment accompanying a ‘no’ vote had to be specifically with the ballot or could it be a reference to a comment from some other entity. For example, if XYZ voted no and referred to a comment submitted by SPP for its justification for that vote, would this be considered a valid ‘no’ vote?</p>
<p>Response: In response to comments concerning the time that would be added to the process in determining the “relevance” of comments associated with ‘no’ votes, the SCPS has modified its proposed revisions to the SPM so that no votes without comments would count toward quorum but would not count in the calculation of approval. No votes with comments of any kind would count toward achieving a quorum and the calculation of the approval.</p> <p>The SCPS believes stakeholders that vote ‘No’ and provide no comment are not supplying helpful guidance to the SDT. This leads to inefficiency and prolongs the standards development process because the SDT is guessing at what the industry concerns are. The SCPS believes that when the entity signifies that they will participate in the standards action ballot (i.e., joins the ballot pool), that entity assumes the responsibilities associated with participation in the standards development process.</p>		

Organization	Yes or No	Question 2 Comment
<p>With respect to NERC’s balloting and commenting software - ultimately, NERC has a responsibility to provide tools to support whatever process is developed, and NERC staff are prepared via software or manual methods if necessary, to ensure that balloters will be able to submit comments at each stage of the balloting process including initial, additional and final ballot, including an option to indicate support for another entity’s comments without the need to submit full responses to every question. For this reason, SPM revisions will not contain details about software.</p>		
Oklahoma Gas & Electric	Yes	<p>Assuming there is a mechanism for adding comments when casting the ballot. Previously, comments could be submitted individually using the official commenting process or as a group with those in support of the group comments providing that comment when the ballot is cast. Will this still be a mechanism or will individual comments utilizing the official comment form be required in order for a "negative" ballot to be used in the determination of the quorum and in calculating industry consensus? We support being able to provide a comment referencing a group's official comments as a means for casting a "negative" ballot and it being used in the quorum and consensus.</p>
<p>Response: In response to comments concerning the time that would be added to the process in determining the “relevance” of comments associated with ‘no’ votes, the SCPS has modified its proposed revisions to the SPM so that no votes without comments would count toward quorum but would not count in the calculation of approval. No votes with comments of any kind would count toward achieving a quorum and the calculation of the approval.</p> <p>The SCPS believes stakeholders that vote ‘No’ and provide no comment are not supplying helpful guidance to the SDT. This leads to inefficiency and prolongs the standards development process because the SDT is guessing at what the industry concerns are. The SCPS believes that when the entity signifies that they will participate in the standards action ballot (i.e., joins the ballot pool), that entity assumes the responsibilities associated with participation in the standards development process.</p> <p>With respect to NERC’s balloting and commenting software - ultimately, NERC has a responsibility to provide tools to support whatever process is developed, and NERC staff are prepared via software or manual methods if necessary, to ensure that balloters will be able to submit comments at each stage of the balloting process including initial, additional and final ballot, including an option to indicate support for another entity’s comments without the need to submit full responses to every question. For this reason, SPM</p>		

Organization	Yes or No	Question 2 Comment
revisions will not contain details about software.		
Independent Electricity System Operator	Yes	It appears to be a fair attempt to focus the standard drafting and adoption process
<p>Response: Thank you for your comments. In response to comments concerning the time that would be added to the process in determining the “relevance” of comments associated with ‘no’ votes, the SCPS has modified its proposed revisions to the SPM so that no votes without comments would count toward quorum but would not count in the calculation of approval. No votes with comments of any kind would count toward achieving a quorum and the calculation of the approval.</p>		
Georgia System Operations	Yes	<p>The revision addresses the SPIG recommendation; however we disagree with the revision and the recommendation for the following reasons: We do not believe that it will improve the Standards Development Process. We believe that the vast majority of “no” votes without comments are expressing fundamental disagreement with the standard. This belief is based on the fact that if an entity has a specific item they would like changed it is to the entity’s benefit to make a comment requesting the change, but if the entity disagrees with the need for the standard, there is no benefit to the entity in making a comment. Accordingly many entities that are currently voting “no” without comment will now simply vote “no” and state a philosophical disagreement. Hence there will be no significant change in the process or result. We believe the phrasing of the question reveals a fundamental shortcoming in the proposal which is the assumption that the only valid comments are those that are helpful in modifying the language of the standard to make it acceptable to the commenter. It is perfectly acceptable (and protected by ANSI) for an entity to express fundamental disagreement with the core intent of a standard and base a “no” vote on a philosophical comment to that effect. It is disturbing that the question refers repeatedly to “constructive” comments but never mentions comments expressing philosophical differences with the approach the SDT has taken. We are concerned that there would be a tendency to omit or downplay entities’ rights to make such comments in order to improve the likelihood of standards being approved. Restricting a person’s right to vote is simply un-American (we cannot speak</p>

Organization	Yes or No	Question 2 Comment
		<p>for our Canadian neighbors, but it is our understanding that it is a fundamental issue there as well). In this country we go to great lengths to ensure that every person’s vote is counted. It goes against our instincts to propose eliminating votes on what many will see as a technicality. We feel it will do far more to damage NERC’s reputation and create mistrust throughout the industry than it will do to improve the efficiency of the standards development process. Because of the necessary appeals procedures, this proposal will in fact extend the standards development process and make it less efficient. Alternative measures would be more effective at increasing the number of comments than this proposal without the negative side effects. One possible approach would be to modify the on-line forms to encourage comments by enabling users to give input by selecting options (e.g. standard is not clear enough, cost to benefit ratio is too high, do not believe standard will improve reliability, agree with approach but disagree with specific values or thresholds) as well as free-form comments.</p>
<p>Response:</p> <p>Thank you for your comments. In response to comments concerning the time that would be added to the process in determining the “relevance” of comments associated with ‘no’ votes, the SCPS has modified its proposed revisions to the SPM so that no votes without comments would count toward quorum but would not count in the calculation of approval. No votes with comments of any kind would count toward achieving a quorum and the calculation of the approval.</p> <p>The SCPS believes stakeholders that vote ‘No’ and provide no comment are not supplying helpful guidance to the SDT. This leads to inefficiency and prolongs the standards development process because the SDT is guessing at what the industry concerns are. The SCPS believes that when the entity signifies that they will participate in the standards action ballot (i.e., joins the ballot pool), that entity assumes the responsibilities associated with participation in the standards development process.</p> <p>With respect to NERC’s balloting software and “providing options for voting no with guidance choices for the answer with a comment section on the ballot” - ultimately, NERC has a responsibility to provide tools to support whatever process is developed, and NERC staff are prepared via software or manual methods if necessary, to ensure that balloters will be able to submit comments at each stage of the balloting process including initial, additional and final ballot, including an option to indicate support for another entity’s comments without the need to submit full responses to every question. In the current process, NERC can and does manually</p>		

Organization	Yes or No	Question 2 Comment
<p>correlate comments with ballots (including comments submitted by affiliated entities – NERC must maintain an awareness of which entities are ‘affiliated’ in order to maintain the Registered ballot Body in accordance with the Rules of Procedure). For this reason, SPM revisions will not contain details about software.</p>		
<p>ReliabilityFirst</p>	<p>Yes</p>	<p>ReliabilityFirst notes that the revised SPM does not address how negative ballot cast without comments, or with unrelated comments during the recirculation ballot are to be handled. For example, if a Ballot Pool member changes their vote from Affirmative to Negative during a recirculation ballot, are they required to submit comments along with the vote? Since the recirculation ballot is the final ballot, it would seem that comment would not be required (i.e. regardless of the negative comment, the SDT is not allowed to change the standard). The revised SPM is silent on this issue. In today’s environment, comments are not even collected during the recirculation ballot. ReliabilityFirst recommends adding additional language to clarify how a negative ballot cast without comments, or with unrelated comments during the recirculation ballot are to be handled.</p>
<p>Response: NERC has a responsibility to provide tools to support whatever process is developed, and NERC staff are prepared via software or manual methods if necessary, to ensure that balloters will be able to submit comments at each stage of the balloting process including initial, additional and final ballot, including an option to indicate support for another entity’s comments without the need to submit full responses to every question. In the current process, NERC can and does manually correlate comments with ballots (including comments submitted by affiliated entities – NERC must maintain an awareness of which entities are ‘affiliated’ in order to maintain the Registered ballot Body in accordance with the Rules of Procedure). For this reason, SPM revisions will not contain details about software.</p>		
<p>Bonneville Power Administration</p>	<p>Yes</p>	
<p>National Grid and Niagara Mohawk (A National Grid Company)</p>	<p>Yes</p>	

Organization	Yes or No	Question 2 Comment
Salt River Project	Yes	
City of Austin dba Austin Energy	Yes	
Essential Power, LLC	Yes	
PPL Corporation NERC Registered Affiliated		<p>The PPL Companies appreciate the Standards Committee’s efforts to revise the voting process to streamline and reduce cycle time in the voting process. The PPL Companies do have concerns with the “negative comments test” to determine if comments are “related” to the proposal under consideration and question if these modifications will significantly reduce the time needed for the standard development. Even if the proposed process is implemented, the lack of rigorous criteria for deciding whether comments are “unrelated” appears to complicate the review of negative comments. As stated in ANSI Essential Requirements: Due process requirements for American National Standards, §2.7 2., “[Standards Developers] shall record and consider . . . negative votes accompanied by comments of a procedural or philosophical nature.” (Emphasis added). Assigning the “negative comments test” to the Standard Drafting Team introduces opportunity for bias in that these persons, having considered their product to be ballot-ready, can reasonably be expected to be hoping for a positive outcome. It is unclear to the PPL Companies how the decision will be made to reject unrelated comments. A definitive and transparent process is needed to establish how comments will be evaluated. The requirement that ballot results will not be finalized until all appeals are evaluated and decided appears to add complexity that could delay the development of standards. This would be inconsistent with the stated intent of providing a more rapid development of standards.</p>
<p>Response: In response to comments concerning the time that would be added to the process in determining the “relevance” of comments associated with ‘no’ votes, the SCPS has modified its proposed revisions to the SPM so that no votes without comments would count toward quorum but would not count in the calculation of approval. No votes with comments of any kind would count</p>		

Organization	Yes or No	Question 2 Comment
		toward achieving a quorum and the calculation of the approval.

3. **As part of Recommendation 4, the SPIG encouraged NERC to require the alignment of standard requirements/measures with Reliability Standard Audit Worksheets (RSAWs). The SPIG also recommended that NERC revise the Essential Elements of the Standards Template to eliminate redundancies.**

To address these recommendations, the revised Standard Process Manual eliminates measures from the standard template in favor of having drafting teams work with ERO compliance staff to develop more detailed RSAWs in parallel with the standard.

Does this proposed revision adequately address SPIG Recommendation 4? If not, please explain why and offer an alternative solution for addressing the SPIG's Recommendations with respect to RSAWs and the Essential Elements of the Standards Template.

Summary Consideration:

We appreciate all of the comments provided on the first draft of SPM changes. In analyzing the comments, there was much support for the move of measures to RSAWs. There was also concern expressed about industry involvement and much of the concern seemed to be generated by lack of information provided on the process that would be used to develop the RSAW. While the SPIG recommendation does not specifically suggest removal of the measures from the standard it does *state "Ensure clarity on reliability objectives and compliance obligations.*

- i. SDT is responsible for the development of the standard including requirements and measures.*
- ii. Compliance staff will develop RSAWs (that will be used in the auditing of compliance) in conjunction and coincident with the development of the standard."*

Typically RSAWs have been developed by compliance staff after FERC has approved a reliability standard with no involvement of standard drafting teams or industry. Many of the existing measures included in standards today are nothing more than a repeat of the requirement which offers little value to registered entities or compliance auditors. 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. Compliance staff assigned to work with the SDT will be identified at the beginning of each standard project. The SDT has access to the SC to voice concerns that they have with the standard development process which would also include the companion RSAW development process. 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.

There was also some views expressed about who has the final say on the measures and that currently the SDT and industry have the final say. We believe this concern is alleviated by the process envisioned and the fact that the measures are not enforceable. 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) ("*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.'*")

There was also some question about the transition to the new process. Some transition has already begun with the development of the RSAWs for PER-005, FAC-003-2 and COM-002-2a. The compliance staff has sought input from the industry and members of the previous drafting team on these new RSAWs. In addition, the SDT for COM-003-1 has been working with Compliance Staff to produce a RSAW for the revised standard. This is in its final stages today and the next posting will include the draft standard and the draft RSAW. The new process would be used to develop RSAWs for standards that are being revised or new standards that are being developed.

Organization	Yes or No	Question 3 Comment
Dominion	No	The question is not aligned with the language of SPIG Recommendation 4. The revisions to the SPM provide little to no mention of the four bullets under SPIG Recommendation 4. Dominion supports the retaining the measures as developed by the drafting team.
<p>Response:</p> <p>Thank you for your comment. While the SPIG recommendation does not specifically suggest removal of the measures from the standard it does state <i>“Ensure clarity on reliability objectives and compliance obligations.</i></p> <ul style="list-style-type: none"> <i>i. SDT is responsible for the development of the standard including requirements and measures.</i> <i>ii. Compliance staff will develop RSAWs (that will be used in the auditing of compliance) in conjunction and coincident with the development of the standard.”</i> 		

Organization	Yes or No	Question 3 Comment
<p>The SDT and compliance staff will work together 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 and may be balloted with a non-binding poll similar to what is done with the 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. Other bullets under Recommendation 4 do not require SPM revisions and are being pursued concurrently (reference the CEAP process and the Paragraph 81 Project).</p>		
<p>IRC-SCR</p>	<p>No</p>	<p>We agree that too much time and effort is spent on some of the compliance elements. The proposal appears geared more to taking the industry out of the process rather than saving total work (particularly for changes to the RSAW after the drafting team has been disbanded). We can't see how there is savings of work if a measure is crafted in an RSAW vs. a standard. Perhaps this could be explained better. If NERC moves to RSAWs rather than Measures, NERC needs to use input from the drafting team. The drafting teams also need some mechanism to voice concerns to the Standards Committee if their input is not used. Finally, NERC needs a transition approach to use present work in progress by drafting teams. If measures are retained, they should be included in the standard as opposed to the RSAW. This will support objectivity and is reflective of a consensus position developed in the standards process.</p>
<p>Response:</p> <p>Thank you for your comment. Typically RSAWs have been developed by compliance staff after FERC has approved a reliability standard with no involvement of standard drafting teams or industry. Many of the existing measures included in standards today are nothing more than a repeat of the requirement which offers little value to registered entities or compliance auditors. 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 SDT has access to the SC to voice concerns that they have with the standard development process which would also include the companion RSAW development process. 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 may 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</p>		

Organization	Yes or No	Question 3 Comment
<p>approved reliability standard, the implementation plan and the RSAW. Some transition has already begun with the development of the RSAWs for PER-005, FAC-003-2 and COM-002-2a. The compliance staff has sought input from the industry and members of the previous drafting team on these new RSAWs. The new process would be used to develop RSAWs for standards that are being revised or new standards that are being developed.</p>		
MRO NSRF	No	<p>The NSRF does not agree that the revisions to the SPM address SPIG Recommendation #4 regarding RSAWs. The SPM revisions fail to address the RSAWs altogether including the when and how RSAWs are developed and their review and approval process. A very good RSAW can only be developed upon full approval from the Commission. The Essential Elements of the Standard should include the relationship of RSAWs to the drafted Standard.</p>
<p>Response: Thank you for your comment. While the SPIG recommendation does not specifically suggest removal of the measures from the standard it does state <i>“Ensure clarity on reliability objectives and compliance obligations.</i> <i>i. SDT is responsible for the development of the standard including requirements and measures.</i> <i>ii. Compliance staff will develop RSAWs (that will be used in the auditing of compliance) in conjunction and coincident with the development of the standard.”</i> We agree that the SPM should address RSAW development; we believe that rather than including the RSAW relationship to the draft standard in the Essential Elements section, it is more appropriate to include language in the section that addresses the Standard Drafting Team responsibility. (Section 3.6) It is not the consensus view that a very good RSAW can only be developed upon full approval of a standard by the Commission. A very good RSAW will be the result of the collaboration of the SDT (subject matter experts) and Compliance Staff. We do agree however that the RSAW may need to be reviewed if the Commission’s action on a standard requires substantive change.</p>		
Florida Municipal Power Agency	No	<p>FMPA supports the approach in concept; however, we checked the “No” box because we are concerned with the change of authority concerning who has final say on “Measures”. With the new approach, portions of the RSAW will essentially replace the need for Measures in the standard. Currently, the SDT and industry have final say on the Measures. With this approach, Compliance Staff will essentially have final say on the Measures. FMPA understands that certain portions of the RSAW need to remain under the authority of Compliance Staff; however, FMPA believes that the</p>

Organization	Yes or No	Question 3 Comment
		<p>portion of the RSAW that essentially replaces Measures ought to be under the authority of industry through the SDT and balloting.FMPA is also concerned about transition. RSAWs take time to develop; how will the transition from the way we do it now to this new method occur?</p>
<p>Response: Thank you for your comment. While you are correct on the current “final say” on measures being with the SDT and industry through the development and balloting, the measures are not enforceable. 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>) 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. Some transition has already begun with the development of the RSAWs for PER-005, FAC-003-2 and COM-002-2a. The compliance staff has sought input from the industry and members of the previous drafting team on these new RSAWs. In addition, the SDT for COM-003-1 has been working with Compliance Staff to produce a RSAW for the revised standard. This is in its final stages today and the next posting will include the draft standard and the draft RSAW. The new process would be used to develop RSAWs for standards that are being revised or new standards that are being developed.</p>		
<p>SERC Planning Standards Subcommittee</p>	<p>No</p>	<p>While RSAWs developed in parallel is a good idea, measures should remain with the standard. Since there is a potential for the measures to modify requirements, they should remain subject to industry approval.</p>
<p>Response: Thank you for your comment. We appreciate your desire to keep the measures in the standard. However, the measures are not</p>		

Organization	Yes or No	Question 3 Comment
<p>enforceable. 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>") 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>Occidental Energy Ventures Corp. (OEVC) and Electricity Consumers Resource Council (ELCON) together called Industrial Consumers</p>	<p>No</p>	<p>Industrial Consumers agree that that RSAWs should be posted (but not voted) with draft standards for industry review and comment. Industrial Consumers also believe that RSAWs should be developed collaboratively by the SDTs and NERC compliance staff - not by having "drafting teams work with ERO compliance staff." The language in the proposed changes to the SPM does not recognize this nuance and gives too much authority to the compliance staff. It is our understanding that the Measures, which are presently in the Reliability Standards, will transition to the RSAWs. If an entity disagrees with an RSAW, such entity will need to vote "no" for the Standard, as the Measures must be vetted through the process, as they are today. To the extent that posting RSAWs makes them consistent with the applicable Standard, then there should be no need for Compliance Application Notices (CANs) and CANs should then be eliminated under this process.</p>
<p>Response: Thank you for your comment. 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. Compliance staff assigned to work with the SDT will be identified at the beginning of each standard project. We will revise the language in the SPM to reflect that intent. The RSAW will be posted for industry review and comment along with the reliability</p>		

Organization	Yes or No	Question 3 Comment
<p>standard during the final 45 day comment/ballot period. Some transition has already begun with the development of the RSAWs for PER-005, FAC-003-2 and COM-002-2a. The compliance staff has sought input from the industry and members of the previous drafting team on these new RSAWs. In addition, the SDT for COM-003-1 has been working with Compliance Staff to produce a RSAW for the revised standard. This is in its final stages today and the next posting will include the draft standard and the draft RSAW. 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. We agree that with the collaborative development of the RSAW and a well written results-based standard, the need for CANs should be eliminated.</p>		
<p>National Rural Electric Cooperative Association (NRECA)</p>	<p>No</p>	<p>NRECA does not agree that adequate support has been provided for the elimination of Measures and replacing those elements with a vague role for SDTs in the development of RSAWs. It is unclear what the roles are for NERC staff and SDTs as it relates to the development of RSAW language. In addition, without knowing the role for SDTs, we are unsure if this will be a time saving change for the SPM. We request that further details be provided in this area so stakeholders can make an informed decision on this issue.</p>
<p>Response: Thank you for your comment. We recognize the concern expressed about the lack of information provided on the process that would be used to develop the RSAW. 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. Compliance staff assigned to work with the SDT will be identified at the beginning of each standard project. We will revise the language in the SPM to reflect that intent. 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>Manitoba Hydro</p>	<p>No</p>	<p>The proposed revisions could potentially address Recommendation 4, but it depends on how the RSAWs will be modified. Also, we are concerned that if the measures become part of the RSAWs they will no longer be subject to industry voting/approval and that the measures listed in the RSAWs will have no formal industry check in place</p>

Organization	Yes or No	Question 3 Comment
		to ensure that they are aligned with the original intent of the requirements.
<p>Response: Thank you for your comment. 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. If a standard is later revised, the RSAW will also be revised using the same process. Some transition has already begun with the development of the RSAWs for PER-005, FAC-003-2 and COM-002-2a. The compliance staff has sought input from the industry and members of the previous drafting team on these new RSAWs. In addition, the SDT for COM-003-1 has been working with Compliance Staff to produce a RSAW for the revised standard. This is in its final stages today and the next posting will include the draft standard and the draft RSAW.</p>		
Kansas City Power & Light	No	<p>Something that clearly dictates what is required for a demonstration of compliance and the data retention required is an important part of the standards process. This information provides the necessary guidance to enable those with the task to demonstrate compliance the information necessary to do so and for those with the task to determine compliance the guidance to do so. The white paper suggests this should be accomplished in the development of the RSAW in parallel with the standard development in replacement of the current measures in the standards. It is immaterial whether a description of what is needed to demonstrate compliance and data retention is in the standard or the RSAW as long as it is part of the standards process for industry approval and sufficiently described. The proposed Standard Process Manual does not sufficiently describe the framework that the RSAW should be nor does the proposed Standard Process Manual stipulate the RSAW should be included in standards process.</p>
<p>Response: Thank you for your comment. We agree that it does not really matter where the measure resides as long as it is clear and reflects the intent of the SDT. 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</p>		

Organization	Yes or No	Question 3 Comment
<p>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. If a standard is later revised, the RSAW will also be revised using the same process. Details about the framework for RSAW development are not appropriate for inclusion in the SPM. However, sections 3 and 4 of the SPM have been revised to clarify the partnership of the SDT and compliance staff in the development of the RSAW. The Standards Committee has many procedure documents that reflect processes that are used in the development of standards. It is currently envisioned that the SC and Compliance staff will develop a process document that will reside on the Standards Webpage.</p>		
<p>Georgia System Operations</p>	<p>No</p>	<p>GSOC is ambivalent regarding the elimination of Measures. To us the key is not where information is found, but that: 1) the information is well documented and useful to entities and 2) that there is a clear understanding of its purpose and limitations. The proposed changes to the SPM introduce references to RSAWs but do not adequately state the purpose and limitations of RSAWs. It needs to be made very clear that the requirements will remain the only enforceable language and that the intended meaning must be conveyed by the requirements themselves without reference to the RSAW. We are concerned that we may merely be trading poorly written measures for poorly written RSAWs. Wherever this information is located it should provide examples of the type of information an auditor might expect to see as proof of compliance while making clear that it is not a limitation on what evidence can be used. Wherever the information is located, we agree with specifying situations where an attestation would be appropriate, but this should not preclude submitting an attestation in a situation where it is not specified because it is impossible to foresee every scenario. We disagree with specifying what non-compliance would look like; we believe that is beyond the scope of an RSAW. It is the entity's responsibility to show compliance to the standard. Non-compliance should simply be the failure to show compliance. There should be a process for later changes to the RSAW without SDT input (by NERC compliance staff) with some level of review (SC approval perhaps) and an opportunity for industry comment.</p>
<p>Response: Thank you for your comment. We agree that it does not really matter where the measure resides as long as it is clear and</p>		

Organization	Yes or No	Question 3 Comment
<p>reflects the intent of the SDT and provides useful information. 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. If a standard is later revised, the RSAW will also be revised using the same process.</p>		
<p>Public Service Enterprise Group</p>	<p>No</p>	<p>Measures” were previously approved by the RBB, the NERC board, and regulatory authorities. We do not object to measures being incorporated into RSAWS provided that the this SPM draft is revised to give the RBB the opportunity to provide comments on the RSAWs (a) in parallel with the standard development and (b) at any time RSAWs changes are proposed.</p>
<p>Response: Thank you for your comment. The RBB will have the opportunity to provide comments on the RSAWs. 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. If a standard is later revised, the RSAW will also be revised using the same process.</p>		
<p>Illinois Municipal Electric Agency</p>	<p>No</p>	<p>Illinois Municipal Electric Agency (IMEA) supports comments submitted by Florida Municipal Power Agency.</p>
<p>Response: Thank you for your comment. While you are correct on the current “final say” on measures being with the SDT and industry through the development and balloting, the measures are not enforceable. 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</i></p>		

Organization	Yes or No	Question 3 Comment
<p><i>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> 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. Some transition has already begun with the development of the RSAWs for PER-005, FAC-003-2 and COM-002-2a. The compliance staff has sought input from the industry and members of the previous drafting team on these new RSAWs. In addition, the SDT for COM-003-1 has been working with Compliance Staff to produce a RSAW for the revised standard. This is in its final stages today and the next posting will include the draft standard and the draft RSAW. The new process would be used to develop RSAWs for standards that are being revised or new standards that are being developed.</p>		
<p>FirstEnergy Corp</p>	<p>No</p>	<p>1. Section 3.5 indicates NERC Staff will develop the RSAWs with assistance from Drafting Teams "as needed". We are not clear as to when and how these RSAWs are developed. FE believes this activity would be most efficient and effective in parallel with the development of the requirements of the standard. The SDT should always be involved and not "as needed" and the RSAWs should be part of the standard document with a non-binding poll on the RSAWs. We suggest some parameters and discussion be developed in the process as to how RSAWs are developed and if a non-binding poll similar to VRF/VSL will be used.2. FE would like to point out our support of the information in section 2 that clearly specifies the enforceable elements of a standard that are subject to sanctions. We appreciate this additional clarity.</p>
<p>Response: Thank you for your comment. We recognize the concern expressed about the lack of information provided on the process that would be used to develop the RSAW. 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. Compliance staff assigned to work with the SDT will be identified at the beginning of each standard project. Sections 3 and 4 of the SPM have been revised to clarify that the SDT and compliance staff will work together to develop 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</p>		

Organization	Yes or No	Question 3 Comment
<p>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>		
Ameren	No	<p>(1) We believe that the SDT to develop the RSAW is a step in the right direction, but we are not sure whether or not the RSAW would subsequently go through industry review and the ballot process. If not, we recommend that everything that is involved with a standard and what is needed to comply with a standard’s requirements (that is, Measures) should be encapsulated within the standard document itself. If the RSAWs are developed at the same time as the standards, we recommend keeping the RSAW language in line with the standards requirements and measures, but the measures need to remain within the standards. Any potential for measures to modify standard requirements should be addressed in the standards development process, where there is industry review and the commenting process is in place. (2) Will the entire SDT be involved in the RSAW development or will this be delegated to a sub group?</p>
<p>Response: Thank you for your comment. We recognize the concern expressed about the lack of information provided on the process that would be used to develop the RSAW. 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. Compliance staff assigned to work with the SDT will be identified at the beginning of each standard project. It will be up to each combined group how they want to go about developing the RSAW, i.e. subgroup or not, as with other elements of the standard currently, but in the end, the RSAW that is posted for review and comment will be the consensus of the entire team. The RSAW will be posted for industry review and comment along with the reliability standard during the final 45 day comment/ballot period. If the measures in the RSAWs have be written such that industry believes that they modify the requirement, the industry should comment so that the SDT and compliance can review and correct any problems before the RSAW is finalized. 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>		

Organization	Yes or No	Question 3 Comment
Indiana Municipal Power Agency	No	Indiana Municipal Power Agency supports the comments submitted by Florida Municipal Power Agency.
<p>Response: Thank you for your comment. While you are correct on the current “final say” on measures being with the SDT and industry through the development and balloting, the measures are not enforceable. 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>) 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. Some transition has already begun with the development of the RSAWs for PER-005, FAC-003-2 and COM-002-2a. The compliance staff has sought input from the industry and members of the previous drafting team on these new RSAWs. In addition, the SDT for COM-003-1 has been working with Compliance Staff to produce a RSAW for the revised standard. This is in its final stages today and the next posting will include the draft standard and the draft RSAW. The new process would be used to develop RSAWs for standards that are being revised or new standards that are being developed.</p>		
American Transmission Company	No	ATC does not agree that the revisions to the SPM address SPIG Recommendation #4 regarding RSAWs. The SPM revisions fail to address the RSAWs altogether including the when and how RSAWs are developed and their review and approval process. Furthermore, the Essential Elements of the Standard should include the relationship of RSAWs to the drafted Standard.
<p>Response: Thank you for your comment. While the SPIG recommendation does not specifically suggest removal of the measures from the standard it does state <i>“Ensure clarity on reliability objectives and compliance obligations.”</i></p>		

Organization	Yes or No	Question 3 Comment
<p><i>i. SDT is responsible for the development of the standard including requirements and measures.</i> <i>ii. Compliance staff will develop RSAWs (that will be used in the auditing of compliance) in conjunction and coincident with the development of the standard.”</i> We agree that the SPM should address RSAW development; we believe that rather than including the RSAW relationship to the draft standard in the Essential Elements section, it is more appropriate to include language in the section that addresses the Standard Drafting Team responsibility. (Section 3.6) 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>Exelon Corporation</p>	<p>No</p>	<p>The role of measures and RSAWs going forward is very confusing. The language in the proposed SPM divorces the compliance component from the standard development; however, it’s not clear how NERC will ensure that the relevant context and intent of the standard is reflected in the compliance components. Furthermore, removal of the measures takes away a stable piece of the standard that enables entities to build a compliance program based on predictable measures. Compliance components must be developed in tandem with the standard language to capture context and intent of the standard and to create a stable compliance measure. There is value in developing an RSAW within the standard development process if it achieves creating one RSAW to be used by all regions and does not change over time. Many questions remain about the concept of RSAW development in parallel with standard development - will they be BOT approved, will they change, who can change them, etc. Until it is clear how RSAW development will transpire, the measures component should not be dropped from the standard development. This is a matter of NERC creating credible compliance elements that respect the standard language as written and intended and that are stable over time.</p>
<p>Response: Thank you for your comment. We recognize the concern expressed about the lack of information provided on the process that would be used to develop the RSAW. The new process will have the SDT and compliance staff working collaboratively to</p>		

Organization	Yes or No	Question 3 Comment
<p>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. Compliance staff assigned to work with the SDT will be identified at the beginning of each standard project. The RSAW will be posted for industry review and comment along with the reliability standard during the final 45 day comment/ballot period. If the measures in the RSAWs have been written such that industry believes that they modify the requirement, the industry should comment so that the SDT and compliance can review and correct any problems before the RSAW is finalized. 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. If a standard is later revised, the RSAW will also be revised using the same process.</p>		
<p>Xcel Energy</p>	<p>No</p>	<p>1) Evidence Retention is being removed as an Element of a Reliability Standard. We assume this will be moved into the RSAW, along with measures. Since there is mention of the drafting team assisting in the development of RSAWs, it would be helpful to provide a short list of items that shall be included in the RSAW, such as evidence retention requirements.2) The last sentence of the first paragraph under section 3.5 needs modification. Currently, it states that the drafting team will assist in the RSAW development "as needed". We disagree that the drafting team's participation be at the discretion of NERC staff. Instead, it should be clarified that the drafting team will actively participate in the development of the RSAW. Furthermore, since they own the technical content in the standard, their perspectives on the technical aspects of the RSAW should also be given significant consideration.</p>
<p>Response: Thank you for your comment. Yes, evidence retention will become part of the RSAW. It is not appropriate for the SPM to include details about the framework for RSAW development. Language will be included in the next revision to reflect the partnership of the SDT and compliance staff in the development of the RSAW. The Standards Committee has many procedure documents that reflect processes that are used in the development of standards. It is currently envisioned that the SC and Compliance staff will develop a process document that will reside on the Standards Webpage. 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. Compliance staff assigned to work with the SDT will be identified at the beginning of each standard project. The language in the SPM will be revised to reflect that intent and clarify that it is not “as needed”. 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 3 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>ACES Power Marketing Standards Collaborators</p>	<p>Yes</p>	<p>We do not object to this change, but ultimately, we believe that standards should be written clearly enough that neither measures nor RSAWs are even needed. If they truly are needed and must be used, then we also would like to emphasize the need to ensure that RSAWs provide real guidance on what compliance and non-compliance looks like. If they become like the measures and just repeat the requirements, they will not be effective. Some current RSAWS fit this category and offer little guidance because they just repeat what is in the requirements. We would also like to express the concern that removing the measures in favor of RSAWs could potentially make the guidance provided in them less accessible to auditors and also make them less likely to consider it good guidance on the standard. We suggest providing a link in the standard to the RSAWs (perhaps where the measures used to be), making the guidance more accessible. In fact, all guidance that NERC would like entities and auditors to use for compliance should be linked from the standard.</p>
<p>Response: Thank you for your comment and support. Typically RSAWs have been developed by compliance staff after FERC has approved a reliability standard with no involvement of standard drafting teams or industry. We agree that many of the existing measures included in standards today are nothing more than a repeat of the requirement which offers little value to registered entities or compliance auditors. 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. Some transition has already begun with the development of the RSAWs for PER-005, FAC-003-2 and COM-002-2a. The compliance staff has sought input from the industry and members of the previous drafting team on these new RSAWs. In addition, the SDT for COM-003-1 has been working with Compliance Staff to produce a RSAW for the revised standard. This is in its final stages today and the next posting will include the draft standard and the draft RSAW. The COM-003 SDT has reported that the collaborative effort in development of the RSAW so far has helped them develop more clear and precise requirements. NERC is reviewing and updating its tools and processes and consideration of links will be part of that process.</p>		

Organization	Yes or No	Question 3 Comment
Hydro One	Yes	We request that RSAWs are subject to the same Quality Review that is currently used for Standards.
<p>Response: Thank you for your comment and support. We believe that it is more important that the RSAW be carefully reviewed by industry during the comment period.</p>		
AECI and the G&T members Central Electric Power Cooperative, KAMO Power Cooperative, M&A Electric Power Cooperative, Northeast Electric Power Cooperative, NW Electric Power Cooperative, and ShoMe Power Electric Cooperative	Yes	AECI agrees with the concept in theory. What that means is that some measure to a requirement needs to be available prior to balloting. Therefore if the RSAW is available to review prior to balloting on the standard then we support the proposed revision. However, if the RSAW is not available prior to balloting, then the measures need to stay within the standard. AECI assumes that the RSAWs would go out for comment and non-binding ballots.
<p>Response: Thank you for your comment and support. 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. If the measures in the RSAWs have been written such that industry believes that they modify the requirement, the industry should comment so that the SDT and compliance can review and correct any problems before the RSAW is finalized. 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. If a standard is later revised, the RSAW will also be revised using the same process.</p>		
SPP Standards Review Group	Yes	We like the suggestion for using the SDT to develop RSAWs. However, there is an apparent lack of consistency between the revised SPM and the whitepaper. On page 10, the last sentence in the first paragraph of Section 3.5 indicates that NERC staff will determine whether to use the SDT to assist with the RSAW development. Yet on page 8 of the whitepaper, the last paragraph under Recommendations more strongly

Organization	Yes or No	Question 3 Comment
		suggests that SDTs will be used in the development of RSAWs. We prefer the later. We also suggest that requirements be written with sufficient specificity such that determining compliance would not have to rely heavily on the RSAWs.
<p>Response:</p> <p>Thank you for your comment and support. 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. Compliance staff assigned to work with the SDT will be identified at the beginning of each standard project. Section 3.5 of the SPM has been revised to clarify this relationship. 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>		
Bonneville Power Administration	Yes	BPA is in support of the drafting team assisting with the creation of the RSAW to further clarify the intent of the standard throughout the industry’s implementation and compliance monitoring.
<p>Response:</p> <p>Thank you for your comment and support.</p>		
National Grid and Niagara Mohawk (A National Grid Company)	Yes	Because measures are not an enforceable aspect of the standard, National Grid supports their removal from the standard. Additionally, National Grid views RSAWs as an effective tool for maintaining auditable compliance and for facilitating the audit process. It makes sense for the RSAWs to be developed in conjunction with the standard to ensure that RSAWs truly track the actual requirements of a standard without adding to or changing them. National Grid cautions against attempting to include examples, factors, specific suggestions for meeting compliance etc. in RSAWs because these types of elements can trend toward changing the actual requirements of a standard or suggesting to auditors a more limited scope of enforcement than the

Organization	Yes or No	Question 3 Comment
		<p>language of a standard permits. The lessons learned in attempting to develop VSLs should inform the RSAW drafting process - i.e. it is impossible to preemptively determine all possible methods of compliance, and attempting to develop examples or factors that are not expressly set forth in the actual requirements can lead to overly restrictive enforcement practices during and audit. The requirements of a standard should be clear enough to permit for compliance, even if the requirements allow for multiple methods to achieve compliance. The RSAWs should simply track and reflect the actual requirements of a standard , and drafting the RSAW in conjunction with the standard should better ensure this outcome. National Grid agrees that RSAWs should not be submitted to FERC for approval along with the standard.</p>
<p>Response: Thank you for your comment and support.</p>		
Independent Electricity System Operator	Yes	As long as measures or similar guidance on how compliance will be assessed is provided, we are indifferent as to where that information is included.
<p>Response: Thank you for your comment and support.</p>		
NextEra Energy Inc	Yes	NextEra agrees with moving the measures/examples of evidence to meet compliance to the RSAWs.
<p>Response: Thank you for your comment and support.</p>		
Duke Energy	Yes	Duke Energy supports the ongoing efforts to revise the RSAW content and process, utilizing the expertise of the Standard Drafting Teams and the industry, providing transparency that should result in clearer communication of auditing intent and

Organization	Yes or No	Question 3 Comment
		enhanced consistency.
<p>Response: Thank you for your comment and support.</p>		
Northeast Power Coordinating Council	Yes	
Western Electricity Coordinating Council	Yes	
Arizona Public Service Company	Yes	
Salt River Project	Yes	
Liberty Electric Power	Yes	
Oklahoma Gas & Electric	Yes	
Pepco Holdings Inc.	Yes	
Flathead Electric Cooperative, Inc.	Yes	
City of Austin dba Austin Energy	Yes	
ReliabilityFirst	Yes	
ISO New England Inc.	Yes	

Organization	Yes or No	Question 3 Comment
Trans Bay Cable LLC	Yes	
Essential Power, LLC	Yes	
PPL Corporation NERC Registered Affiliated		<p>The PPL Companies agree with the changes made to Section 3. Section 3.0 states: “The only mandatory and enforceable components of a Reliability Standard are the: (1) applicability, (2) Requirements, and the (3) effective dates. The additional components are included in the Reliability Standard for informational purposes, to establish the relevant scope and technical paradigm, and to provide guidance to Functional Entities concerning how compliance will be assessed by the Compliance Enforcement”. This revision to the Standard Process Manual constitutes a global change which should eliminate CANs. From this point forward, the only guidance provided on Reliability Standards will be contained in the standards. If additional guidance is needed, the industry shall utilize the Interpretation process as defined in this Manual. The PPL Companies support creating the RSAWs in parallel with the standards. The provisions to allow for quality reviews to be conducted in parallel with standard development should be beneficial. Proposed changes to RSAWs should be required to go back to the Standards Development Team for approval to ensure that the changes are consistent with the intent of the SDT.</p>
<p>Response: Thank you for your comment.</p>		

4. As stated in Question 3, as part of Recommendation 4, the SPIG encouraged NERC to revise the Essential Elements of the Standards Template to eliminate redundancies, using Violation Severity Levels (VSLs) as an example.

To address this Recommendation, the revised Standard Process Manual eliminates VRFs and VSLs from the standard template in favor of a Sanction Table Reference (Results-Based Requirement Category Reference) to conserve drafting team and stakeholder resources and ensure consistency in the application of sanctions.

Does this proposed revision adequately address SPIG Recommendation 4? If not, please explain why and offer an alternative solution to revise the Essential Elements of the Standards Template to eliminate redundancies such as VSLs.

Summary Consideration: The Standards Committee Process Subcommittee's (SCPS) goal with the proposed revision to the Standards Process Manual (SPM) eliminating the Violation Risk Factors (VRF) and the Violation Severity Levels (VSL) would address several issues identified in the SPIG (Standards Process Improvement Group) Recommendations:

1. *SPIG Recommendation 4 Standards Product* speaks to how standards will be developed and areas where the quality of standards can be improved. Specifically, the recommendations identify the VSL, within the Essential Elements of a Reliability Standard, as a potential candidate for revision. Recommendation 4 also encouraged the use of the Results-Based Standard (RBS) philosophy.
2. *SPIG Recommendation 5 Standards Development Process and Resources* identifies a need to shorten the ERO Standard Development Process and it is the opinion of the SCPS that the development of VRFs and VSLs establishes a significant burden on the Standard Drafting Team (SDT), which in turn lengthens the standard development process.

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 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.

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.

Organization	Yes or No	Question 4 Comment
Dominion	No	SPIG Recommendation 4 does not directly discuss revising the Essential Elements of Standards Template to eliminate redundancies such as VSLs. The topic is however discussed in the document titled: Standard Processes Manual Revisions: SCPS White Papers for Background Information.
<p>Response: The SCPS is acting in good to faith to address the SPIG recommendations and respectfully disagrees with the commenter in that the SPIG Recommendation (4) states the following:</p> <p>The Board is encouraged to require that the standards development process address:</p> <ul style="list-style-type: none"> • The use of RBS; • Cost effectiveness of standards and standards development; • Alignment of standards requirements/measures with Reliability Standards Audit Worksheets (RSAWs); and • The retirement of standards that are no longer needed to meet an adequate level of reliability. <p>The SPIG report further identifies areas where the overall recommendation is proposed to be applied. These details include the following:</p> <ul style="list-style-type: none"> • Revise Essential Elements of the Standards Template to eliminate redundancies such as Violation Severity Levels (VSLs). <p>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 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</p>		

Organization	Yes or No	Question 4 Comment
<p>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>Northeast Power Coordinating Council</p>	<p>No</p>	<p>The title of the tables should be changed to ‘Operations’ Sanctions Table Guidelines, ‘Cyber Security’ Sanctions Table Guidelines, and ‘Planning’ Sanctions Table Guidelines. Are these three tables intended to encompass all standards?</p>
<p>Response: 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 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>IRC-SCR</p>	<p>No</p>	<p>We agree there is much wasted effort with regard to VRFs and VSLs. But it appears the proposal is to take one confusing process and replace it with another confusing process that has less industry input. The approach needs to be simplified such that it can be explained on a single page each for VRFs and VSLs. We also have concerns with the proposed sanctions tables that are associated with this proposal. For each category, the proposed sanction should expand from zero to the maximum determined by the risk-outcome combination. To do otherwise complicates the FFT and spreadsheet NOP process (it requires additional documentation to prove why the sanction is less than that allowed by the table).</p>
<p>Response: 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 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-</p>		

Organization	Yes or No	Question 4 Comment
<p>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>		
Hydro One	No	<p>The title of the tables should be changed to ‘Operations’ Sanctions Table Guidelines, ‘Cyber Security’ Sanctions Table Guidelines, and ‘Planning’ Sanctions Table Guidelines. Are these three tables intended to encompass all standards? What about FAC, MOD, PRC, etc. standards?</p>
<p>Response: 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 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>		
Western Electricity Coordinating Council	No	<p>WECC appreciates the opportunity to comment on the NERC Standards Committee Process Subcommittee (SCPS) Proposal related to the elimination of Violation Risk Factors (VRFs) and Violation Severity Levels (VSLs). From a Standards Development perspective, WECC agrees that the proposed revision adequately addresses SPIG Recommendation 4. The concept of a predefined set of Sanctions Tables, one for Operations Requirements, one for Planning Requirements, and one for Cyber Security</p>

Organization	Yes or No	Question 4 Comment
		<p>Requirements, with each including four violation levels for Performance-based, Risk-based, and Capability-based requirements, would greatly reduce the burden on and the time required of the drafting teams in developing the individual VSLs for each requirement of a standard. The proposed revision would also force the drafting teams to consider the language and content of each requirement helping ensure a results-based requirement that was Performance-based, Risk-based, or Capability-based was drafted. It would also greatly reduce the time expended by the industry in reviewing and commenting on VSLs during the drafting period. In addition, it would do away with the time and effort required to revise VSLs during drafting if the requirements had to be revised based on stakeholder feedback. All of these are positives and have the potential to greatly reduce the amount of time it takes to develop a new or revised reliability standard. However, from an enforcement perspective WECC has concerns. WECC Enforcement staff understands the value in reducing the burden imposed on Standards Drafting Teams; however from an enforcement perspective, WECC Enforcement staff believes the proposed Sanction Table and accompanying procedural changes create unnecessary challenges with enforcing Reliability Standard Violations. The proposed Sanction Table is a significant change in Compliance Enforcement operations and may require considerable procedural, process, and personnel staffing alterations. Therefore, WECC provides the comments below in order to specify a number of concerns, from an enforcement perspective, with the SCPS Proposal and to propose alternative solutions to achieve a desirable outcome. WECC Enforcement staff coordinated the development of these comments with the Texas Reliability Entity (TRE) and WECC understands that TRE supports the position reflected by these comments, but we do not speak for TRE. From an enforcement perspective, WECC has the following concerns: 1. The language associated with the proposed levels in the Sanction Table is ambiguous, broad, and imprecise. Furthermore, the thresholds to get to Level 3 and Level 4 are unreasonably high. The increased hurdle to reach such upper levels in combination with the periphrastic language supporting each proposed level creates unnecessary challenges when implementing the SCPS Proposal. The SCPS Proposal is a move to</p>

Organization	Yes or No	Question 4 Comment
		<p>more ambiguous, broad, and imprecise language than that in existing VSLs. Such ambiguous, broad, and imprecise language denies the regulated industry as well as WECC Enforcement staff clear and concise direction in the enforcement of the NERC Reliability Standards. 2.The Sanction Table will lead to inconsistent implementation and delay violation processing. Given the ambiguity described in (1), inconsistency in penalty assessments will likely increase throughout all Regional Entities. Similarly, the proposal will provide challenges when comparing the body of FERC-approved violations (and work-in-progress) with future violations enforced according to the proposed Sanction Table. There is nothing in the SCPS proposal regarding how Regional Entities, NERC, or FERC will ensure transparent or consistent outcomes. Violation severity levels (or their replacements) should ensure uniformity and consistency among all Standards in the determination of penalties.3.The SCPS proposal overstates problems associated with enforcing violations using the active VSLs. Currently, there are a few problems with specific VSLs; there is not a problem with all VSLs. WECC Enforcement sees an opportunity to fix some VSLs, e.g., there is an opportunity to provide additional granularity given the limited levels associated with a subset of Reliability Standards, including, for example, the CIP Standards. 4.The SCPS proposal resembles a one-size-fits-all solution to a problem that requires nuance and careful, deliberate application. Every enforceable violation presents with a unique fact pattern. The proposal takes a mechanical, simplistic approach to risk. Any proposal in this dynamic NERC Reliability Standard regulatory environment that attempts to use such an approach requires careful examination prior to implementation. 5.This is a significant change for Compliance and Enforcement. If a change of this magnitude is made, WECC Enforcement recommends having more discussion and exploring the alternatives, some of which are proposed below, before such a significant process change is implemented. WECC Enforcement Staff provides the following as possible alternative solutions1.Complement and Supplement Existing ProcessWECC Enforcement staff does not see major problems with the VSLs, VRFs, or the existing Base Penalty Table. WECC Enforcement staff does, however, see a problem with a few specific VSLs that could be fixed relatively quickly. In this light,</p>

Organization	Yes or No	Question 4 Comment
		<p>there is value in maintaining the status quo with consideration or emphasis given to only a small subset of VSLs or VRFs. Therefore, WECC Enforcement staff proposes maintaining the status quo be considered an effective option. However, WECC Enforcement staff further proposes that Regional Enforcement personnel could provide recommendations to the drafting teams where Enforcement has already identified problems with existing VSLs. This will reduce any undue burden on the Standards Drafting Teams while also gaining the benefits that come from working within an existing, known, process. 2.Develop Expedited Process WECC Enforcement staff appreciates the Standards Drafting Teams concerns that they are spending entirely too much time drafting VRFs and VSLs. To address this concern, WECC Enforcement staff proposes that the Regional Enforcement Staffs, particularly the Enforcement Sanction and Mitigation Working Group (ESMWG), provide recommendations to the Standards Drafting Teams to improve the VRFs and VSLs. Further, the ESMWG could also review proposed VRFs and VSLs, which could streamline the creation of new VRFs and VSLs. The Commission previously directed NERC to develop VSLs “either through the Reliability Standards development process or through another expedited process” (emphasis added). In that context, there is an opportunity for currently existing working groups, e.g., the ESMWG, to provide for the other “expedited process” that the Commission may desire. At present the ESMWG is comprised of NERC and Regional Enforcement managers and leaders. The ESMWG representatives are uniquely positioned to take on this role. Specifically, the ESMWG representatives ultimately implement, enforce, and defend VRFs and VSLs in all enforcement actions. In the Western Interconnection, WECC Enforcement has resolved nearly 2000 violations with FERC. In each case, WECC Enforcement reviewed the violation facts and circumstances and applied a VSL and VRF in each applicable case. As stated in (1), WECC Enforcement staff has determined a few specific VSLs could be fixed relatively quickly. WECC Enforcement staff made this determination based on their experience resolving violations with Registered Entities, NERC, and FERC. The approach also ensures some level of continuity is maintained throughout the drafting or revision processes, as Regional Enforcement Departments are fully</p>

Organization	Yes or No	Question 4 Comment
		<p>staffed with full-time, long-standing employees. Thus, while new Standards Drafting Teams may always be necessary, there would be a reduction in the development or re-learning process associated with each team as such teams can rely on a stable knowledge base (i.e., Regional Enforcement personnel). 3.Continue Existing Work in this AreaWECC Enforcement staff notes that significant work has taken place in the continued development of streamlined methods for VSL drafting since the Standards Drafting Teams first identified the burden. WECC Enforcement staff believes that the enforcement staffs of each of the eight Regional Entities agree that the previously proposed “pro forma” VSL approach is not a workable solution. WECC Enforcement staff also recognizes furtherance of related work on this project may achieve the desired results of the SCPS Proposal (i.e., eliminate the burden associated with VRF and VSL drafting). For example, following the failure of the pro forma VSL proposal, WECC Enforcement staff understood the next project to include template-based VSLs with associated fill-in-the-blank verbiage. Furtherance of template-based VSLs that allow for the unique nature of specific requirements is likely to lead to consistent VSLs and a reduced drafting and resource burden on the Standards Drafting Teams, with minimal noticeable change in processes or compliance approach.In conclusion, WECC Enforcement staff is supportive of providing relief to Standards Drafting Teams, however we suggest NERC, Regional Entities, and the regulated industry ensure a successful transition to such a drastic change, rather than be forced into a tight deadline. Given the concerns outlined above, if NERC and industry adopt and move to implement the SCPS Proposal, WECC Enforcement staff requests that Regional Enforcement personnel take ownership of the proposed Sanction Table and work in concert with NERC Enforcement personnel to craft fair and reasonable language in support of the respective Sanction Table levels.</p>
<p>Response: 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 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>		

Organization	Yes or No	Question 4 Comment
		<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>
MRO NSRF	No	<p>SPIG Recommendation #4 regarding the example of eliminating the VSLs did not imply they should be replaced by Sanction Tables. The recommendation was a temporary solution on the redundancies. The VSLs should remain until the Sanctions Tables are vetted properly through the proper channels, with NERC Compliance and Stakeholders. The NSRF supports the ultimate removal of the VRFs and VSLs from all Standards in the future once the proposed Sanction Tables are vetted and approved through all required channels.</p>
<p>Response: 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 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>		
Edison Electric Institute	No	<p>EI 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, and would no longer be attached to projects with non-binding polls, thus relieving drafting teams of a certain</p>

Organization	Yes or No	Question 4 Comment
		<p>task. In addition, a ‘sanctions table’ has been proposed as a replacement for the existing base sanctions table contained in the Compliance Monitoring and Enforcement Program (CMEP) manual. SPIG recommended the ‘elimination of redundancies such as VSLs.’ On the surface, the draft proposed process changes would seem to agree with the underlying process efficiency objective. However, the proposal is confusing for several reasons. First, the white paper simply does not state that VSLs and VRFs will no longer be developed, only suggesting that they will not be developed as part of a drafting team project scope. We may misunderstand the discussion paper, however, we see no alternative process proposal for the development of VSLs and VRFs, and it is important to have a clearer understanding of where and how these variables will be defined. Second, SPIG did not recommend the development of a sanctions 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 did not recommend the development of a sanctions table. Third, stakeholders have not actively participated in the setting of enforcement policies and practices, having developed an understanding that NERC did not want to cultivate a perception that stakeholders had an undue influence over such practices. CMEP and the sanctions guidelines were developed with very little stakeholder involvement. VRFs, VSLs, the sanctions guidelines, and their application by NERC and the regions is not well understood. Also, we understand that some standards drafting teams have become very apprehensive about compliance and enforcement matters, becoming worried over how various language might be interpreted by compliance and enforcement. If now there is interest in having a more comprehensive discussion on the overall structure of compliance and enforcement as set forth in CMEP, including various enforcement strategic policies and practices, EEI welcomes that discussion. The nature of enforcement as a tool for properly aligning reliability risks with performance, and creating a structure of strong incentives for avoiding poor performance via enforcement, is a long overdue</p>

Organization	Yes or No	Question 4 Comment
		<p>discussion. Alternatively, if the current proposed approach continues to be included in the SPIG implementation ‘package,’ EEI notes that the proposed sanctions table contains several ambiguous characterizations such as ‘could adversely impact reliability,’ which invites potential endless debate if and when such a table were ever to be implemented. Similarly, in the cybersecurity section of the table, the term ‘other’ is undefined and potentially unbounded. Instead of much needed efficiency and cost savings in compliance and enforcement, implementation of this terminology invites the opposite, that is, endless arguments over whether a particular violation or set of violations “could” have imposed systemic reliability risk. At the very least, the sanctions table needs much further analysis and refinement and should therefore be removed from consideration in the SPIG-related matters. Also, the process for developing VRFs and VSLs needs to be described since it is unclear whether or how these will continue to be developed. In addition, proposed Section 3.9 of the process manual is unnecessary since the role of the Compliance and Certification Committee (CCC) is already defined elsewhere in the Rules of Procedure and its own committee charter. The CCC charter also appears to be broadly defined to enable the committee to comment on the enforceability of proposed standards. Committee charters should be complete and self-contained, and not scattered throughout the NERC library of governance and process documents.</p>
<p>Response: 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 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>		

Organization	Yes or No	Question 4 Comment
Occidental Energy Ventures Corp. (OEVC) and Electricity Consumers Resource Council (ELCON) together called Industrial Consumers	No	Industrial Consumers agree that VRFs and VSLs should be eliminated, but only over the longer term. We all agree that the crafting of risk factors and severity levels under the present process is cumbersome and time consuming. However, this is a reflection of the complexity of equating reliability activities across a wide range of process, planning, and operational functions. In addition, continual refinements have been made over the five years that violations of the Reliability Standards have been subject to penalties - resulting in a level of consistency that is understood by all involved. Further, Industrial Consumers commend the SCPS for its work in developing the "Sanctions Table." The concept appears to have validity. However, it is far from a proven concept. For example, the criteria are high-level and could leave too much discretion to NERC to determine the basis and size of the penalties. It seems that a smaller step should be taken first to establish a level of comfort with the industry - perhaps a limited field trial of the Sanctions Table process. Thus, Industrial Consumers strongly recommend that the SPM not include any mention to the "Sanctions Table."
<p>Response: 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 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>		
National Rural Electric Cooperative Association	No	After reviewing the draft SPM, NRECA still has questions regarding the elimination of VSLs/VRFs and effectively replacing them with Type of Requirement and Level 1 through 4 violation criteria. How is the proposed Sanctions Table qualitatively

Organization	Yes or No	Question 4 Comment
(NRECA)		different from the current Base Penalty Amount Table? Who will make the determinations in the proposed Sanctions Table to determine the penalty range - NERC/RE staff alone, or with an active role for the SDTs during the standard development process? What is the basis for monetary amounts used in the Sanctions Table?When answers are provided to these questions NRECA will be better able to determine whether it supports these changes.
<p>Response: 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 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>		
Manitoba Hydro	No	The maximum penalties appear too high. Specifically, Capability-based requirement pose minimal risk to the bulk electric system and should have lower or no penalties associated with them. Also, it is not clear whether each requirement would be pre-assigned as belonging under Level 1, 2, 3, or 4, or whether this assessment would take place after the violation. If the first instance is true, this would allow less discretion is assessing the extent to which a requirement was violated.
<p>Response: 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 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</p>		

Organization	Yes or No	Question 4 Comment
<p>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>Kansas City Power & Light</p>	<p>No</p>	<p>The problems and effort required by the SDT and the industry with the current method for VRF and VSL are well stated in the White Paper. The current proposal to eliminate the current VRF and VSL with the “Operations Sanctions Table” is not recommended. The proposed “Sanctions Table” will be subject to debate and interpretation and will be make it difficult to administer and apply. This could lead to an increase in entities and NERC with differences of opinion of the impact of a violation and the subsequent sanction and penalty and lead to an increase of time spent by entities and NERC in appeals. Although it is understood the current process to develop VSL’s requires thoughtful consideration and effort, there are some activities in the standards process that are worth the time and effort. The current method for a VSL clearly defines the boundaries for failures and leaves little room for debate and interpretation. There is much value in that for NERC and entities. Further, the current method for VSL’s is in direct alignment with performance based requirements. Recommend the current method for VSL’s be retained to maintain clarity and avoid interpretation, inconsistent application and ambiguous treatment. The White Paper expresses problems that have been associated with the development and application of VRF’s. Although the current method for VRF’s may be problematic, this potentially could be overcome with training and education. The White Paper suggested a consideration to increase the number of VRF’s from 3 to 5. This would unnecessarily encumber the current process even further and is not recommended. The concepts of requirements that are “Performance Based”, “Risk Based”, or “Capability Based” and the descriptions of these in the Proposed Standard Manual are attractive. The definitions for these are clear and provide boundary that is useful. Recommend NERC consider replacing the VRF with these as they are well defined and could be directly applied to well written requirements and would help to</p>

Organization	Yes or No	Question 4 Comment
		eliminate the ambiguity and inconsistent application of the current VRF's.
<p>Response: 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 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>		
Texas Reliability Entity	No	<p>(1) We do not understand this SPIG proposal, because we do not view VSLs as “redundancies” (redundant with what?). Furthermore, we do not understand how replacing VRFs and VSLs with the proposed Sanction Table addresses the SPIG concern - it merely replaces one process with a different but similar process.(2) We suggest that the proposal to replace VRFs and VSLs should be presented separately from the other SPM revisions and should not be part of the broader SPM revision project. The VRF/VSL proposal will unduly complicate this fast-track project. If presented as a separate project, the proposal to replace VRFs and VSLs can be evaluated on its own merits, and it can be debated deliberately and with due consideration to all of the pertinent issues and alternative approaches.(3) Texas RE understands the value in reducing the burden imposed on Standards Drafting Teams; however, Texas RE believes the proposed Sanction Table and accompanying procedural changes create unnecessary challenges with enforcing Reliability Standard Violations. The proposed Sanction Table represents a significant change in Compliance Enforcement operations and may require considerable procedural, process, and personnel staffing alterations. (4) The language associated with the proposed levels in the Sanction Table is ambiguous, broad, and imprecise.</p>

Organization	Yes or No	Question 4 Comment
		<p>Furthermore, the thresholds to get to Level 3 and Level 4 are unreasonably high. The increased hurdle to reach such upper levels in combination with the indefinite language supporting each proposed level creates unnecessary challenges when implementing this proposal. (5) This proposal would be a move to more ambiguous, broad, and imprecise language than that in existing VSLs (“expected to adversely impact,” “could impact,” “unlikely to contribute”). Such ambiguous, broad, and imprecise language denies the regulated industry as well as the regional entities clear and concise direction in the enforcement of the NERC Reliability Standards. The Sanction Table will lead to inconsistent implementation and delay violation processing. (6) Similarly, the proposal will provide challenges when comparing the body of FERC-approved violations (and work-in-progress) with future violations enforced according to the proposed Sanction Table. There is nothing in this proposal regarding how Regional Entities, NERC, or FERC will ensure transparent or consistent outcomes. Violation severity levels (or their replacements) should ensure uniformity and consistency among all Standards in the determination of penalties. This proposal resembles a one-size-fits-all solution to a problem that requires nuance and careful, deliberate application. Every enforceable violation presents with a unique fact pattern. The proposal takes a mechanical, simplistic approach to risk. Any proposal in this dynamic NERC Reliability Standard regulatory environment that attempts to use such an approach requires careful examination prior to implementation. This is a significant change for Compliance and Enforcement. If a change of this magnitude is made, Texas RE recommends having more discussion and exploring additional alternatives before such a significant process change is implemented. (7) Texas RE does not see major problems with the existing VSLs, VRFs, or the existing Base Penalty Table. Texas RE does, however, see a problem with a few specific VSLs that could be fixed relatively quickly. In this light, there is value in maintaining the status quo with consideration or emphasis given to only a small subset of VSL or VRFs. Therefore, an alternative proposal is that maintaining the status quo be considered an effective option. However, Texas RE further proposes that Regional Enforcement personnel could provide recommendations to the drafting teams where Enforcement</p>

Organization	Yes or No	Question 4 Comment
		<p>has already identified problems with existing VSLs. This will reduce any undue burden on the Standards Drafting Teams while also gaining the benefits that come from working within an existing, known, process. (8) To address the concern that Standards Drafting Teams are spending too much time and effort drafting VRFs and VSLs, Texas RE proposes that the Regional Enforcement Staffs, particularly the Enforcement, Sanction and Mitigation Working Group (ESMWG), could provide assistance and recommendations to the Standards Drafting Teams in writing and improving the VRFs and VSLs. (9) How does NERC intend for the proposed “Sanction Table reference” for each requirement to be treated in the revised SPM process? Will it be separate from the standard, like VRFs and VSLs are now, and subject to independent NERC and FERC revision; or will it be a full part of the Reliability Standard that is subject to ballot body approval and not subject to revision by NERC and FERC?</p>
<p>Response: 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 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>		
Pepco Holdings Inc.	No	It is not clear with the new sanction tables and the elimination of the VRFs and VSLs, how a determination of a violation would be determined.
<p>Response: 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 have</p>		

Organization	Yes or No	Question 4 Comment
<p>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>Georgia System Operations</p>	<p>No</p>	<p>We do not believe the changes to the SPM are clear enough to adequately address the SPIG recommendation. We agree that VSLs are in many cases not helpful and that a fundamental change needs to be made instead of fine tuning, but the current proposed revision does not provide enough information to provide a thorough response. More detail is needed on how the Sanction Table would be used. Our understanding is that the SDT would only provide input on the appropriate row of the Sanction Table for each requirement, and that the appropriate column would be determined after reviewing the facts surrounding the actual occurrence. We agree with that approach, but there is nothing in the SPM to indicate that this is actually how it would work. Also, the headings in the Sanctions Table are contrary to that understanding. The first heading in the table is: “a violation is not expected to adversely impact electrical state/capability of BES or ability to monitor/control BES”. If the column is evaluated with respect to a specific incident it should refer to “the” violation instead of “a” violation. Also the language “is not expected to” would not be applicable since the event has already occurred; consider replacing it with “did not” or “did not have the potential to”. If we are incorrect and the SDT would specify both the column and the row of the table, we disagree with the approach. Different violations of a requirement can vary drastically and should not all be placed in the same column.</p>
<p>Response:Based on the majority of the comments received, the SCPS has re-examined the proposed revisions and concluded that</p>		

Organization	Yes or No	Question 4 Comment
<p>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>Public Service Enterprise Group</p>	<p>No</p>	<p>The statement in the question that “the revised Standard Process Manual eliminates VRFs and VSLs from the standard template in favor of a Sanction Table Reference (Results-Based Requirement Category Reference) to conserve drafting team and stakeholder resources and ensure consistency in the application of sanctions” will not occur even if the new SPM were passed as written. It would only occur if the proposed sanctions table is adopted to replace the table in Appendix A, Base Penalty Amount Table. Otherwise the result is no change. This is only made apparent by a careful reading of the clean SPM section on page 8 labeled “Standards Table Reference.” We believe that is important detail should be made clear to stakeholders. In addition, the SPM should make it clear that the Sanctions Table will be posted with the standard when it is balloted. We therefore suggest a new sentence be added to the first paragraph in Section 4.7 that states “Each new or modified standard will include all the elements of a Reliability Standard as delineated in Section 2.5.” With this addition, we would approve the Sanctions Table.</p>
<p>Response: 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 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</p>		

Organization	Yes or No	Question 4 Comment
<p>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>City of Austin dba Austin Energy</p>	<p>No</p>	<p>Although Austin Energy (AE) does not oppose the concept of Sanctions Tables, we believe the tables ought to be designed differently. More specifically, we believe the Level 3 violation language should read, "Violation IS LIKELY TO contribute to impeding restoration, damaging equipment or non-consequently load loss or IS LIKELY To contribute to BES instability, separation or cascading sequence of failures." Additionally, we believe the Level 4 violation language should read, "Violation CAUSED BES instability, separation or cascading sequence of failures."</p>
<p>Response: 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 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>FirstEnergy Corp</p>	<p>No</p>	<p>1. FE agrees that VRF and VSL are compliance elements that take many hours of drafting team time and should be removed from the process. However, it is not clear how the standard will make reference to this sanction table and what role the drafting team has in tying the requirements to the sanctions table. Furthermore, the sanctions table has a separate section for Cyber Security requirements and</p>

Organization	Yes or No	Question 4 Comment
		<p>references terms to be used in the next version of the CIP standards. Therefore, timing may be an issue since it is not clear how the implementation of this new process and sanctions table will coordinate with the implementation of CIP V5.2. The proposal also involves what appears to be the removal of time horizons from the requirements. Although it was never quite clear how this element was used in compliance violation assessments, we question whether this will be a detriment to the compliance enforcement staff in determining penalties.</p>
<p>Response: 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 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>		
Ameren	No	<p>Conceptually the Sanction table can work, but not enough information about process steps are available at this time to make an informed judgment on its development or applicability. Based on what is available now, it seems like there will be too much subjectivity involved. To avoid this subjectivity issue, the SDT would have to develop a recommendation for each requirement in the standard as to which category (Performance, Risk or Capability) should be applicable to it so that SDT's intention is clear to all stakeholders. Our concern is if this is not done by the SDT there will not be uniformity in its application leading to inconsistency in the way auditors and enforcement would apply these Sanction Tables.</p>
<p>Response: Based on the majority of the comments received, the SCPS has re-examined the proposed revisions and concluded that</p>		

Organization	Yes or No	Question 4 Comment
<p>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>		
ReliabilityFirst	No	<p>ReliabilityFirst Corporation (“ReliabilityFirst”) appreciates the opportunity to comment on the North American Electric Reliability Corporation (“NERC”) Standards Committee Process Subcommittee (“SCPS”) Proposal (the “Sanctions Table”) related to the elimination of the Violation Risk Factors (“VRFs”) and Violation Severity Levels (“VSLs”). ReliabilityFirst appreciates how burdensome, lengthy, and difficult the task of drafting VRFs and VSLs can be for the standard drafting teams (“SDTs”). However, the proposed Sanction Table creates unnecessary challenges to the effective and efficient enforcement of mandatory Reliability Standards. First, the requirement that violations must result in an “Adverse Reliability Impact” in order to receive a “Severe” VSL is misguided. Currently, the severity of the violation is related to those compliance activities which are within the control of the registered entity. A failure to undertake such activities could result in the maximum allowable penalty before that failure results in a system event. Thus, the possibility of a “Severe” VSL serves a role in promoting compliance activities that seek to prevent system events without waiting for a system event. Second, Option 1 of the Project introduces a new, undefined term, “reliability purpose,” and Option 2 introduces a new, undefined term, “discernible impact on reliability.” Under either option, assigning VSLs appears to require a substantive determination regarding the relative impact of a particular violation. Without further guidance, Regional Entities will struggle to apply these terms, resulting in more ambiguity and less consistency than is presently experienced</p>

Organization	Yes or No	Question 4 Comment
		<p>using the current VSLs. Additionally, these ambiguous and undefined terms may result in protracted negotiations with Registered Entities during the settlement process over VSL designations. The use of such ambiguous, broad and imprecise language in the Sanctions Table will result in uncertainty among Registered Entities and ReliabilityFirst regarding enforcement of the NERC Reliability Standards. ReliabilityFirst also believes that the Project will unintentionally undermine reliability because only those violations resulting in an “Adverse Reliability Impact” would be punished with “Severe” VSLs. Additionally, the proposed Pro Forma VSLs introduce new terms that will prove difficult to apply. As an alternative, the ESMWG proposes less drastic revisions to the existing VSLs that would result in more accurate depictions of the severity of a violation. Each possible violation of the Reliability Standards presents unique facts and circumstances which require careful analysis and deliberation. The Sanctions Table, however, is presented as a one-size-fits-all solution to VRFs and VSLs. Such an approach would constitute a significant change in the enforcement of the Reliability Standards and requires very careful examination. ReliabilityFirst does not believe the VRF and VSL matrices are ineffective or broken. Rather, ReliabilityFirst believes the VRF and VSL matrices can and should be improved. There are certain VSLs that can be improved upon which could reduce confusion among Registered Entities and Regional Entities and increase consistency across all the regions. ReliabilityFirst enforcement personnel are willing to assist the SDTs in identifying and improving existing VSLs with identified problems. ReliabilityFirst appreciates the burden and difficulty the SDTs face while drafting VRFs and VSLs as part of Reliability Standards. Therefore, ReliabilityFirst recommends that enforcement staffs from the Regional Entities, particularly the Enforcement Sanction and Mitigation Working Group (“ESMWG”), provide recommendations to the SDTs to improve VRFs and VSLs. Further, the ESMWG could review proposed VRFs and VSLs, thereby streamlining the creation of new VRFs and VSLs while also lessening the VRF and VSL related workload of the SDTs. The Federal Energy Regulatory Commission directed NERC to develop VSLs “either through the Reliability Standards development process or through another expedited process” (emphasis added). The ESMWG in</p>

Organization	Yes or No	Question 4 Comment
		<p>particular could provide this other “expedited process.” The ESMWG is positioned to take on this role as its representative implement, enforce, and defend VRFs and VSLs in all enforcement actions. ReliabilityFirst also suggests continuing to explore ways to streamline VRF and VSL drafting to maximize clarity to both Registered Entities and Regional Entities and reduce the burden on the SDTs. ReliabilityFirst supports lessening the burden of drafting VRFs and VSLs during the Reliability Standards development process. However, ReliabilityFirst believes the proposed Sanctions Table is an unnecessary change.</p>
<p>Response: 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 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>American Transmission Company</p>	<p>No</p>	<p>ATC does not agree with the sanctions table. Recommendation #4 states that redundancies such as VSL should be considered for elimination. The SPIG did not recommend that VSLs must be replaced with the Sanction table. We are concerned that this sanction table/concept tool has not been properly vetted through compliance personnel. In addition, we would like to see a broader discussion of all the different options to address VSL prior to incorporating any specific solution into the SPM. The VSLs should remain until the Sanctions Tables are vetted properly through the proper channels, with NERC Compliance and Stakeholders.</p>
<p>Response:</p>		

Organization	Yes or No	Question 4 Comment
<p>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 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>		
ISO New England Inc.	No	<p>We agree there is much wasted effort with regard to VRFs and VSLs. But it appears the proposal is to take one confusing process and replace it with another confusing process that has less industry input. It could be made much simpler if the current VRFs were replaced with the “Results Based Categories” and if the VSLs used the pro forma approach developed jointly by the SC and CCC.</p>
<p>Response: 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 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>		
Trans Bay Cable LLC	No	<p>This may meet the SPIG recommendation and the approach seems to have merit, but it is unclear how this sanction table might be interpreted by the RE.</p>

Organization	Yes or No	Question 4 Comment
<p>Response: 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 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>		
Exelon Corporation	No	Exelon agrees with and supports the EEI comments on the Sanctions Table and VRFs/VSLs.
<p>Response: 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 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>		
Xcel Energy	No	1) The dollar range for Level 2 seems disproportional to the others. We suggest removing a zero from the end of both the min and max range, in all 3 tables.2) Since there appears to be confusion regarding how these sanction tables might impact FFT treatment, we recommend a footer be added (or clarification in the white papers) to clarify that the sanction tables are not used for FFT candidates, as they are not

Organization	Yes or No	Question 4 Comment
		<p>assessed a penalty at all. (Versus \$0 penalty)3) Recommend adding another level for items that have no impact on reliability, with a starting value of \$0. Currently, the criteria for FFT treatment could still allow a "no impact on reliability" violation to not qualify for FFT treatment. In those cases, enforcement staff should have a level that accurately reflects the circumstances of the violation.4) It would be helpful if more transparency were provided on the discount range for various mitigation actions. (Comparable to a 0-20% good driver discount on auto insurance.) This could be as simple as a non-exhaustive list of most common mitigating actions. We feel this will proactively promote better behavior, and give entities a better idea of expected outcome after a violation has occurred.</p>
<p>Response: 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 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>		
Bonneville Power Administration	Yes	BPA is in agreement and support of continued analysis on the Essential Elements of the Standards template and is encouraged with this proposal.
<p>Response: 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 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</p>		

Organization	Yes or No	Question 4 Comment
		<p>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>National Grid and Niagara Mohawk (A National Grid Company)</p>	<p>Yes</p>	<p>National Grid supports the elimination of VSLs in favor of a table in the format of the proposed Results-Based Sanction Table; however, National Grid opposes some of the language proposed in the “Level” descriptions of the table. National Grid recommends the following changes to the table:</p> <ol style="list-style-type: none"> 1) The name of the table should be changed to “Results-Based Sanction Table Guideline” and each section of the table should include the word “guideline” i.e. “Operations Sanction Table Guideline”; “Cyber Security Sanctions Table Guideline” ; “Planning Sanctions Table Guideline”. This change would ensure that those using the table understand that the sanctions presented are not mandatory, fixed penalty amounts, but are a guideline or starting point for a baseline penalty. This aligns with the existing NERC Sanctions “Guideline”. National Grid assumes that this table will eventually be incorporated into the Rules of Procedure as part of the NERC Sanctions Guideline, but if the table will be used as a guidance document prior to that time, then the name of the table should be changed to ensure the table is correctly applied correctly. 2) The ‘Cyber Security’ Sanctions Table should remove references to Low, Medium, and High Impact BES Cyber Systems from the “Level” descriptions. These references will perpetuate one of the major existing problems with the VSL table - i.e. the overstatement of severity of minor violations resulting in higher-than-necessary baseline penalties. By matching the Levels to Low, Medium, or High Impact Elements, any violation of the standard associated with a certain facility, even a mere documentation error, will fall into the Level assigned to that asset. For example, a documentation error that causes little to no risk to the BES that is related to a requirement applicable only to High Impact BES Cyber Systems will fall into Level 3

Organization	Yes or No	Question 4 Comment
		<p>with a high penalty range. In the current draft of CIP Version 5, most of the requirements are applicable only to Medium and High Impact systems; thus, nearly all violations will fall into Level 2 or Level 3 on the proposed table regardless of actual risk. This is not commensurate with the purported purpose of the table as a substitute for VSLs. The remaining language in the table, without the references to affect on Low, Medium, and High Cyber Systems, is sufficient to allow the Regional Entity to assess the impact of a violation of a CIP standard on the BES. The references should be removed.</p> <p>3) “Other” should be removed from the ‘Cyber Security’ Sanctions Table in the Performance-based category. The term is too broad. If there are performance-based type requirements other than “acts to protect cyber assets” then they should be spelled out.</p> <p>4) In the ‘Planning’ Sanctions Table, the Level 3 and Level 4 language should be modified. Violations of planning requirements occur when an entity fails entirely to have a required plan or fails to have a sufficient plan (one having all required elements). The language should be modified to be more clear so that the focus is on whether the plan is sufficient according to the terms of the standard. As drafted, the language could be read to mean that a plan with all required elements that for some reason does not achieve desired results could be penalized. The following language is recommended: Level 3 - a violation results in a plan that is insufficient pursuant to the requirements of the standard and the plan’s insufficiency could contribute to an adverse affect on the BES’ ability to respond to contingencies. Level 4 - a violation results in a plan is insufficient pursuant to the requirements of the standard and the plan’s insufficiency could directly cause an adverse affect on the BES’ ability to respond to contingencies. In addition to the above modifications to the table, National Grid recommends that a transition team be put into place in order to review existing standards for designation and categorization of the existing requirements in accordance with the new table. This will shorten the transition period between use of the VSLs for existing requirements to enabling use of the new table. If the team identifies requirements that do not fit into a category, the team can recommend</p>

Organization	Yes or No	Question 4 Comment
		<p>those requirements for future modification. National Grid realizes that a transition team of this sort requires resources and will need to be prioritized appropriately in light of other ongoing standards development projects. However, continuing to use the VSLs for existing standards until the standards happen to be due for amendment will unnecessarily drag out the transition period where both VSLs and the new Results-Based Table will be used. Considering the problems with applying the VSLs that have been identified, National Grid suggests it would be wise to devote some resources to shortening this transition period as much as possible.</p>
<p>Response: 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 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>Florida Municipal Power Agency</p>	<p>Yes</p>	<p>Sanctions Table: FMPA supports the table, supports the distinction between performance, risk and capability based requirements, and generally supports the 4 levels/columns identified. FMPA’s concern springs from the use of the word “could” in the Levels. FMPA understand that some subjectivity is necessary in determining the Levels, but, the word “could” is too “soft” of a word that leaves too much subjectivity in the process. FMPA recommends the use of “expected” as used in the Level 1 description of the Operations Sanction Table, e.g., Level 2 in the Operations Sanction Table would be re-worded to say: “a violation under reasonably assumed conditions would be expected to directly and adversely impact ...”. Also, a more minor comment on the Planning Sanctions Tables, the word “contingencies” should</p>

Organization	Yes or No	Question 4 Comment
		<p>be qualified with “applicable contingencies” FMPA is concerned about transition. How will existing standards be transitioned to this new method? Will we be living in two worlds in the mean-time?</p>
<p>Response: Thank you for your support. 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 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>Arizona Public Service Company</p>	<p>Yes</p>	<p>Yes, the elimination of VRF and VSL is a good idea. VSL’s are currently being misused. Drafting teams are forced to assign medium VRF’s for any requirement other than purely administrative no matter how small is the impact. VSL’s are getting very complicated and have become arbitrarily time based even though reliability impact is not proportional to delay in executing.</p>
<p>Response: Thank you for your support. 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 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</p>		

Organization	Yes or No	Question 4 Comment
<p>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>American Electric Power</p>	<p>Yes</p>	<p>In general, we support the direction that SPIG is taking in regards to eliminating VRFs and VSLs from the standard template in favor of a Sanction Table Reference. While this effort is taking place, we believe it is 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.</p>
<p>Response: Thank you for your support. 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 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>NextEra Energy Inc</p>	<p>Yes</p>	<p>NextEra agrees with the elimination of VSLs; however, NextEra recommends specific edits to the new Sanctions table. See NextEra’s response to question 6, below.</p>
<p>Response: Thank you for your support. Based on the majority of the comments received, the SCPS has re-examined the proposed</p>		

Organization	Yes or No	Question 4 Comment
		<p>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>
Illinois Municipal Electric Agency	Yes	Illinois Municipal Electric Agency (IMEA) supports comments submitted by Florida Municipal Power Agency.
		<p>Response: Thank you for your support. 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 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>
Duke Energy	Yes	The proposal has the potential to increase the efficiency of the Standard Drafting Teams and allow them to focus their time and effort more productively. Care will need to be taken in further development of the so called “Sanction Table” to ensure that the ranges defined are consistent with previously assessed penalties and with the current Base Penalty Amount table. This appears to be an opportunity to more tightly couple the results of compliance assessment with the actual risk to reliability.

Organization	Yes or No	Question 4 Comment
<p>Response: Thank you for your support. 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 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>ACES Power Marketing Standards Collaborators</p>	<p>Yes</p>	<p>-1- Since there is little correlation between actual penalties issued to date and the sanctions table (and by extension VSLs and VRFs), this makes sense. Furthermore, VRFs are often skewed high based on what could happen if the requirement is violated, not what is likely to happen. Finally, VSLs rarely represent the full spectrum of violations that could occur which requires enforcement personnel to use their judgment in assigning a VSL anyway. Eliminating VRFs and VSLs should save all stakeholders time in the standards development process.</p> <p>-2- We do have one concern, however, regarding the sanctions table. The sanctions table should reflect differing penalties depending on whether or not a negative consequence has occurred. This accommodation exists in other areas of the law. For example, an attempted crime generally does not carry the same level of penalty as an actual crime.</p>
<p>Response: Thank you for your support. 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 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</p>		

Organization	Yes or No	Question 4 Comment
<p>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>AECI and the G&T members Central Electric Power Cooperative, KAMO Power Cooperative, M&A Electric Power Cooperative, Northeast Electric Power Cooperative, NW Electric Power Cooperative, and ShoMe Power Electric Cooperative</p>	<p>Yes</p>	<p>AECI supports removing the VSLs from the SPM and going to a sanctions table.</p>
<p>Response: Thank you for your support. 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 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>SPP Standards Review Group</p>	<p>Yes</p>	
<p>Salt River Project</p>	<p>Yes</p>	

Organization	Yes or No	Question 4 Comment
Liberty Electric Power	Yes	
Oklahoma Gas & Electric	Yes	
Essential Power, LLC	Yes	
PPL Corporation NERC Registered Affiliated		<p>The PPL Companies are not convinced that the proposed Sanction Table is an improvement over the current Base Penalty Amount Table integrated with the VRFs and VSLs. VSLs for some standards have specific numeric divisions which reduce subjectivity in the application of VSLs. Increasing the need for subjectivity in the penalty determination process is not consistent with development of an expeditious, transparent penalty application process.</p>
<p>Response: 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 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>		
Independent Electricity System Operator		<p>While this seems like a much simpler approach and we understand how the change will conserve resources insofar as SDTs are concerned, we can't see how it will ensure consistency in application of sanctions; we are concerned that it will blur the landscape quite a bit and leave it entirely up to the auditors/investigators to apply those sanction guidelines in the context of each standard and situation.</p>

Organization	Yes or No	Question 4 Comment
		<p>Response: 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 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>
Flathead Electric Cooperative, Inc.		This may meet the SPIG recommendation and the approach seems to have merit, but it is unclear how this sanction table might be interpreted by the RE.
		<p>Response: 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 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>
NERC		NERC Staff Compliance Operations and Enforcement comments: The Standards Process Input Group (SPIG) organized by the NERC Member Representatives Committee (MRC) proposed a number of recommendations for changes to the way NERC develops Reliability Standards. One of the specific recommendations to improving the NERC Standard Development Process is revising the essential elements

Organization	Yes or No	Question 4 Comment
		<p>of the Standards Template to eliminate redundant or unnecessary activities, such as drafting of Violation Severity Levels (VSLs). NERC Enforcement supports efforts to improve the Standard Development Process. There have been several proposals to accomplish this objective. One proposal offered by the NERC Standards Committee Process Subcommittee (SCPS), and the subject of this comment process, would revise the existing NERC Base Penalty Amount Table to eliminate the Violation Risk Factor (VRF) and the VSL. Another proposal introduces the development of a pro forma VSL while retaining the existing VRFs. It is likely that additional approaches will be offered during this comment period. While NERC Compliance Operations and Enforcement staff is not at this time specifically endorsing any of the proposals presented, there are several principles that each proposal should meet to ensure that the process is effective and can be administered by NERC and Regional Entity enforcement and complies with FERC orders:</p> <ul style="list-style-type: none"> o The approach should contemplate existing FERC guidelines on setting VRF/VSL levels and defining base penalty amounts.[1] We would note that FERC has articulated a number of fundamental principles communicated in these guidelines, including: o Penalty amounts must be per violation, per day not per violation, per occurrence; o A penalty level of \$1M per violation, per day must be available for serious violations; o VSLs should not have the unintended consequence of lowering the current level of compliance; o VSLs should be based on a single violation, not on a cumulative number of violations; o VRF/VSLs should ensure uniformity and consistency within and among reliability standards; o VRF/VSLs must have a single, consistent description; o Risk factor assignment should not allow a watering down of the VRF where a requirement co-mingles more than one obligation; o Any approach should permit discouraging economic choice to violate a reliability requirement based on penalty amount; and o Any approach should recognize a risk is not minimal simply because there was no adverse impact to the Bulk Power System or if it reveals a serious shortcoming in a registered entity's reliability-related processes.[2] o Any approach should address risk and harm levels in the base penalty determination. o Penalty matrix must permit access to all levels of violation risk/severity for a given violation. o The proposal should ensure

Organization	Yes or No	Question 4 Comment
		<p>consistency with past penalty determinations and the calculation of future penalties. This should be demonstrated by sample calculations under the existing and proposed approaches.</p> <ul style="list-style-type: none"> o Level definitions must be clear and concise and not create ambiguities that could delay settlement negotiations or engender a lack of clarity in base penalty calculations. o Elements comprising the base penalty determination should be as objective as possible. o The base penalty calculation process should not re-write the standards/requirements to which they apply. o The process should be straight-forward and intuitive in application. <p>NERC Compliance Operations and Enforcement staff believe that the proposals presented through this comment process should receive full consideration, in light of the basic elements presented above, and looks forward to working with the Regional Entities and the industry in their evaluation.---</p> <p>end notes ---[1] Orders addressing FERC guidance on VSL/VRFs include: Order on Violation Severity Levels Proposed by the Electric Reliability Organization, 123 FERC ¶ 61,284 (June 19, 2008); Order on Rehearing and Clarification and Accepting Compliance Filing, 125 FERC ¶ 61,212 (November 20, 2008); Order on Compliance and Rehearing, 135 FERC ¶ 61,166 (May 19, 2011); Order Addressing Violation Severity Level Assignments for Critical Infrastructure Protection Reliability Standards, 130 FERC ¶ 61,211 (March 18, 2010); Order on Violation Risk Factors, 119 FERC ¶ 61,145 (May 18, 2007); Order on Rehearing and Compliance Filing, 120 FERC ¶ 61,145 (August 9, 2007); Order Accepting with Conditions the Electric Reliability Organization’s Petition Requesting Approval of New Enforcement Mechanisms and Requiring Compliance Filing, 138 FERC ¶ 61,193 (March 15, 2012); and Order on Compliance Filing, 118 FERC ¶ 61,030 (January 18, 2007).[2] The Commission has also provided the following guidance specific to a cyber security context: 1) a binary VSL, rather than a graduated VSL, should be applied for requirements where a single lapse in protection can compromise computer network security and 2) VSLs for interdependent tasks should account for the interdependence.</p>
<p>Response: 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 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-</p>		

Organization	Yes or No	Question 4 Comment
		<p>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>Indiana Municipal Power Agency</p>		<p>no comment</p>

5. As part of Recommendation 4, the SPIG encouraged NERC to ensure the cost effectiveness of standards through documentation of alternatives analysis.

A Cost Effective Analysis Proposal (CEAP) was posted for industry comment on May 7, 2012, through July 6, 2012. Does this draft document adequately address the SPIG Recommendation? If not, please explain why and offer an alternative solution for ensuring the cost effectiveness of standards through documentation of alternatives analysis.

Summary Consideration:

Many entities have submitted a complete set of comments in response to a separate posting of the CEAP, and a thorough summary of all comments received will be provided in the Consideration of Comments for that posting. The Cost Effectiveness Analysis Process (“CEAP”) is not incorporated into the proposed revisions to the Standard Processes Manual. It is initially envisioned to be a Guideline document. In order to address the Standard Process Input Recommendation regarding the consideration of cost in the standard development process, it is proposed that additional questions regarding cost will be included in the posting of comment periods. This is intended to be an interim step until development of the CEAP is fully realized.

Organization	Yes or No	Question 5 Comment
Northeast Power Coordinating Council	No	The revision does not reference the CEAP, therefore not adequately addressing the SPIG recommendation. The CEAP is a separate and proposed guideline document not referred to in this Standard Processes Manual.
<p>Response: Thank you for your comment.</p> <p>The Cost Effectiveness Analysis Process (“CEAP”) is not incorporated into the proposed revisions to the Standard Processes Manual. It is initially envisioned to be a Guideline document. In order to address the Standard Process Input Recommendation regarding the consideration of cost in the standard development process, it is proposed that additional questions regarding cost will be included in the posting of comment periods. This is intended to be an interim step until development of the CEAP is fully realized. It is NERC’s</p>		

Organization	Yes or No	Question 5 Comment
<p>intent to pilot the CEAP project to determine if any potential revisions need to be made.</p> <p>After successful pilot project(s) have been completed, the CEAP may be revised and an evaluation will be made as to whether and to what extent, the CEAP will need to be incorporated into the Standard Process Manual, the NERC Rules of Procedure, or other NERC documents (e.g. Standard Drafting Team Guidelines, etc.). A revised CEAP will be posted for a comment period and NERC will respond in writing to comments in the same manner as prescribed by the NERC Standard Processes Manual.</p>		
IRC-SCR	No	<p>We agree that the CEAP as proposed is a good start. Since the changes to the SPM were to support the SPIG recommendations. The “steering group” and the concept of cost effectiveness need to be brought into Section 4 (Process for Developing, Modifying or Retiring a Reliability Standard”). The underlying precept of the SPIG is that we need to move away from a volumetric approach to standards, to a focused development of standards that add value and provide an ALR. As part of the SAR process, there needs to be a triage that clearly addresses what’s missing in ALR, and how the standard will provide it. The process of opening a solicitation every year seeking ideas for new Standards Development proposals should be stopped. The industry is overwhelmed with standards actions. If the issue is important enough to be a standard, a SAR should be submitted.</p>
<p>Response: Thank you for your comment. The Charter for the Reliability Issues Steering Committee, (RISC), is not under the purview of the Standards Committee and is not part of the standard development process. The draft charter and initial slate for the RISC was approved by the NERC BOT in August and the SC looks forward to clarifying the relationship between the SC and RISC. The Standards Committee (SC) acknowledges that there will be a necessary interface coordination to be implemented in order to assure effective coordination between the activities of the RISC and those of the SC.</p>		
Hydro One	No	<p>The revision does not reference the CEAP so does not adequately address the SPIG recommendation. The CEAP is a separate and proposed guideline document not referred to in this SPM.</p>
<p>Response: Thank you for your comment.</p> <p>The Cost Effectiveness Analysis Process (“CEAP”) is not incorporated into the proposed revisions to the Standard Processes Manual.</p>		

Organization	Yes or No	Question 5 Comment
		<p>It is initially envisioned to be a Guideline document. In order to address the Standard Process Input Recommendation regarding the consideration of cost in the standard development process, it is proposed that additional questions regarding cost will be included in the posting of comment periods. This is intended to be an interim step until development of the CEAP is fully realized. It is NERC’s intent to pilot the CEAP project to determine if any potential revisions need to be made.</p> <p>After successful pilot project(s) have been completed, the CEAP may be revised and an evaluation will be made as to whether and to what extent, the CEAP will need to be incorporated into the Standard Process Manual, the NERC Rules of Procedure, or other NERC documents (e.g. Standard Drafting Team Guidelines, etc.). A revised CEAP will be posted for a comment period and NERC will respond in writing to comments in the same manner as prescribed by the NERC Standard Processes Manual.</p>
<p>AECI and the G&T members Central Electric Power Cooperative, KAMO Power Cooperative, M&A Electric Power Cooperative, Northeast Electric Power Cooperative, NW Electric Power Cooperative, and ShoMe Power Electric Cooperative</p>	<p>No</p>	<p>AECI does not believe that the CEAP has been adequately described and it needs further development. Industry should be the ones overseeing the documents and deciding when they are ready for SC or RISC review and consideration, not NERC. This question in the SPM Comment form is premature. The CEAP ballots comments are just now being reviewed, July 26 & 27. There are a number of CEAP provisions that need additional work. We need to wait for the CEAP comment and revision process to play out before balloting it on another document like this SPM comment form. NERC has not taken the time needed to appropriately develop this topic.</p>
<p>Response: Thank you for your comments and we agree that the CEAP is in a developmental stage.</p> <p>The Cost Effectiveness Analysis Process (“CEAP”) is not incorporated into the proposed revisions to the Standard Processes Manual. It is initially envisioned to be a Guideline document. In order to address the Standard Process Input Recommendation regarding the consideration of cost in the standard development process, it is proposed that additional questions regarding cost will be included in the posting of comment periods. This is intended to be an interim step until development of the CEAP is fully realized. It is NERC’s intent to pilot the CEAP project to determine if any potential revisions need to be made.</p> <p>After successful pilot project(s) have been completed, the CEAP may be revised and an evaluation will be made as to whether and to what extent, the CEAP will need to be incorporated into the Standard Process Manual, the NERC Rules of Procedure, or other NERC documents (e.g. Standard Drafting Team Guidelines, etc.). A revised CEAP will be posted for a comment period and NERC will respond in writing to comments in the same manner as prescribed by the NERC Standard Processes Manual.</p>		

Organization	Yes or No	Question 5 Comment
Florida Municipal Power Agency	No	The CEAP was not really a Cost “Effective” Analysis Proposal, but really a Cost Analysis Proposal without sufficient consideration of “Effective”ness. While a good start, the CEAP ought to be revised to include effectiveness of investment at accomplishing reliability goals.
<p>Response: Thank you for your comment.</p> <p>The Cost Effectiveness Analysis Process (“CEAP”) is not incorporated into the proposed revisions to the Standard Processes Manual. It is initially envisioned to be a Guideline document. In order to address the Standard Process Input Recommendation regarding the consideration of cost in the standard development process, it is proposed that additional questions regarding cost will be included in the posting of comment periods. This is intended to be an interim step until development of the CEAP is fully realized. It is NERC’s intent to pilot the CEAP project to determine if any potential revisions need to be made.</p> <p>After successful pilot project(s) have been completed, the CEAP may be revised and an evaluation will be made as to whether and to what extent, the CEAP will need to be incorporated into the Standard Process Manual, the NERC Rules of Procedure, or other NERC documents (<i>e.g.</i> Standard Drafting Team Guidelines, etc.). A revised CEAP will be posted for a comment period and NERC will respond in writing to comments in the same manner as prescribed by the NERC Standard Processes Manual.</p> <p>There is nothing in the current proposed CEAP that would prohibit an entity from including in its CEAP survey responses comments regarding more cost effective solutions to achieve reliability goals. This is the type of feedback the CEAP is designed to solicit. The purpose statement of the CEAP document will be revised to clarify this goal.</p>		
Edison Electric Institute	No	EEI submitted the following comments on the cost effectiveness analysis proposal on July 16:EEI appreciates that practical discussions have begun for beginning to more explicitly consider the costs of potential new requirements or modifications to existing requirements in mandatory standards. This is a welcome change. Any management decision needs to have a clear sense of the goal being addressed by a specific initiative, options for addressing the matter, the costs of the various options, and the measures of success. The specificity of the information needed for decision-making will vary depending on the questions under consideration. Initial impressions of the proposal for considering costs and cost effectiveness: To the maximum extent practicable, the general framework for considering potential costs of a new or

Organization	Yes or No	Question 5 Comment
		<p>modified standard should be designed to include both</p> <p>a) general characterizations of investments, and operation and maintenance expenses that would be required, and</p> <p>b) general characterizations of the reliability goals, risks, and contingencies that would be addressed. This could be included in what we understand as the ‘phase one’ part of the process described to date. EEI also envisions that discussion of these issues should include the newly formed Reliability Issues Steering Group (RISC), as well as standing technical committees that would have an already assembled group of technical expertise that could be tapped for advice and counsel. RISC would also have a natural interest in its normal course of considering reliability issues and risks from a high-level strategic perspective. RISC should be prepared to offer its views on potential standards development projects, including potential costs and benefits. In addition, and in order to begin relevant discussions as early as possible, EEI envisions that FERC staff should be invited to these discussions in order to begin developing shared understandings of both the reliability objectives, and potential costs. As a general matter, we have long believed that proactively engaging the regulatory entities sooner and not later is an important element for shaping successful outcomes. EEI envisions that a SAR will include a description of the kinds of fixed investments, operations and maintenance expenses, or administrative expenses that might be needed to cover any new or modified requirements. The SAR should also include a description of the incremental reliability benefit, including the reliability risk or problem being addressed. It would be the responsibility of the SAR sponsor to make state these general descriptions. As a general matter, we envision that this would be possible with no more than 500 words, that is, not a detailed cost estimate or surgically precise specification. SAR content should also describe performance outcomes that would be expected as a result of compliance, including characterizations of performance that would be viewed as violations. Upon approval of the project and development of more detailed language for the standard, the balloting and commenting phase could seek some refinement of the characterizations of costs and benefits. While the process proposal would seek to</p>

Organization	Yes or No	Question 5 Comment
		<p>gather this information from individual entities, EEI proposes that relevant NERC technical committees perform this exercise. Nothing should prevent NERC from seeking comments from individual entities; however, some may prefer to not provide more detailed information. In addition, at this time we are not convinced that detailed cost estimates are needed. We are also concerned that cost estimate activities not become over-engineered to the point that companies are compelled to make what might be considered to be good faith cost estimates on activities that will take place over long periods of time. Upon filing at FERC, NERC should have gathered information sufficient to plainly describe the reliability problem being addressed, the manner in which the proposed standard will address the problem, the performance expectations, as well as the kinds of investments and expenses likely to be undertaken that would not occur otherwise. Detailed engineering estimates or creating new bureaucracy should not be the goals in this exercise. Nor should companies be held to rough cost estimates that may be offered in response to general analysis of a potential reliability matter.</p>
<p>Response: Thank you for your comment.</p> <p>The Cost Effectiveness Analysis Process (“CEAP”) is not incorporated into the proposed revisions to the Standard Processes Manual. It is initially envisioned to be a Guideline document. In order to address the Standard Process Input Recommendation regarding the consideration of cost in the standard development process, it is proposed that additional questions regarding cost will be included in the posting of comment periods. This is intended to be an interim step until development of the CEAP is fully realized. It is NERC’s intent to pilot the CEAP project to determine if any potential revisions need to be made.</p> <p>After successful pilot project(s) have been completed, the CEAP may be revised and an evaluation will be made as to whether and to what extent, the CEAP will need to be incorporated into the Standard Process Manual, the NERC Rules of Procedure, or other NERC documents (e.g. Standard Drafting Team Guidelines, etc.). A revised CEAP will be posted for a comment period and NERC will respond in writing to comments in the same manner as prescribed by the NERC Standard Processes Manual.</p> <p>Changes to the SAR format are not being addressed as part of the CEAP project. While including anticipated investment requirements and performance outcomes in a SAR might be considered in the future, these inclusions would only present the data as analyzed by the entity or entities sponsoring the SAR and would not provide the type of industry-wide, high-level cost effectiveness</p>		

Organization	Yes or No	Question 5 Comment
<p>information that the CEAP seeks. The CEAP 's success is dependent on Trade Groups such as EEI promoting and encouraging their members to respond to SAR and SDT information requests to provide the assistance in identifying alternative solutions that meet the reliability objective of the draft standard that the CEAP should facilitate. The RISC Charter, currently under development may also be an integral part of the CEAP. Recently a meeting was conducted with FERC staff and it was emphasized to Commission staff that this is not a purely analytical tool and is based on good faith estimates provided by the industry. We agree that all estimates used in the CEAP should be considered only high level approximations to provide examples of what costs "may" be.</p> <p>Finally, the Charter for the Reliability Issues Steering Committee, (RISC), is not under the purview of the Standards Committee and is not part of the standard development process. The draft charter and initial slate for the RISC was approved by the NERC BOT in August and the SC looks forward to clarifying the relationship between the SC and RISC. The Standards Committee (SC) acknowledges that there will be a necessary interface coordination to be implemented in order to assure effective coordination between the activities of the RISC and those of the SC.</p>		
<p>Arizona Public Service Company</p>	<p>No</p>	<p>There is no mention of CEAP in this document. There should be additional discussion of how the recommendation is applied.</p>
<p>Response: Thank you for your comment.</p> <p>The Cost Effectiveness Analysis Process ("CEAP") is not incorporated into the proposed revisions to the Standard Processes Manual. It is initially envisioned to be a Guideline document. In order to address the Standard Process Input Recommendation regarding the consideration of cost in the standard development process, it is proposed that additional questions regarding cost will be included in the posting of comment periods. This is intended to be an interim step until development of the CEAP is fully realized. It is NERC's intent to pilot the CEAP project to determine if any potential revisions need to be made.</p> <p>After successful pilot project(s) have been completed, the CEAP may be revised and an evaluation will be made as to whether and to what extent, the CEAP will need to be incorporated into the Standard Process Manual, the NERC Rules of Procedure, or other NERC documents (<i>e.g.</i> Standard Drafting Team Guidelines, etc.). A revised CEAP will be posted for a comment period and NERC will respond in writing to comments in the same manner as prescribed by the NERC Standard Processes Manual.</p>		
<p>Occidental Energy Ventures Corp. (OEVC) and Electricity Consumers Resource Council (ELCON) together called</p>	<p>No</p>	<p>Industrial Consumers agree that cost/benefit analysis of a proposed standards development effort is a critical part of sensible regulation. If properly performed, the efforts with the highest return on reliability can be addressed as a top priority - with some measurable economic justification behind them. Industrial Consumers have</p>

Organization	Yes or No	Question 5 Comment
Industrial Consumers		submitted comments on the CEAP and incorporate those comments by reference into these comments.
<p>Response: Thank you for your comment. Your separately submitted comments on the CEAP will be addressed in that Comment Report.</p> <p>The CEAP is not incorporated into the proposed revisions to the Standard Processes Manual. It is initially envisioned to be a Guideline document. In order to address the Standard Process Input Recommendation regarding the consideration of cost in the standard development process, it is proposed that additional questions regarding cost will be included in the posting of comment periods. This is intended to be an interim step until development of the CEAP is fully realized. It is NERC’s intent to pilot the CEAP project to determine if any potential revisions need to be made.</p> <p>After successful pilot project(s) have been completed, the CEAP may be revised and an evaluation will be made as to whether and to what extent, the CEAP will need to be incorporated into the Standard Process Manual, the NERC Rules of Procedure, or other NERC documents (e.g. Standard Drafting Team Guidelines, etc.). A revised CEAP will be posted for a comment period and NERC will respond in writing to comments in the same manner as prescribed by the NERC Standard Processes Manual.</p>		
National Rural Electric Cooperative Association (NRECA)	No	NRECA and other industry stakeholders recently submitted comments on the CEAP. From NRECA’s standpoint, until we see how our comments, and comments from others, are addressed, we are unable to state whether the CEAP adequately addresses the SPIG recommendation and whether it appropriately addresses the cost-effectiveness issues that are associated with standard development and compliance responsibilities.
<p>Response: Thank you for your comment. Your separately submitted comments on the CEAP will be addressed in that Comment Report.</p> <p>The CEAP is not incorporated into the proposed revisions to the Standard Processes Manual. It is initially envisioned to be a Guideline document. In order to address the Standard Process Input Recommendation regarding the consideration of cost in the standard development process, it is proposed that additional questions regarding cost will be included in the posting of comment periods. This is intended to be an interim step until development of the CEAP is fully realized. It is NERC’s intent to pilot the CEAP project to determine if any potential revisions need to be made.</p>		

Organization	Yes or No	Question 5 Comment
<p>After successful pilot project(s) have been completed, the CEAP may be revised and an evaluation will be made as to whether and to what extent, the CEAP will need to be incorporated into the Standard Process Manual, the NERC Rules of Procedure, or other NERC documents (e.g. Standard Drafting Team Guidelines, etc.). A revised CEAP will be posted for a comment period and NERC will respond in writing to comments in the same manner as prescribed by the NERC Standard Processes Manual.</p>		
Liberty Electric Power	No	Comments provided in the CEAP comment form regarding cost differentials due to entity size and structure.
<p>Response: Thank you for your comments. Your separately submitted comments on the CEAP will be addressed in that Comment Report.</p> <p>The CEAP is not incorporated into the proposed revisions to the Standard Processes Manual. It is initially envisioned to be a Guideline document. In order to address the Standard Process Input Recommendation regarding the consideration of cost in the standard development process, it is proposed that additional questions regarding cost will be included in the posting of comment periods. This is intended to be an interim step until development of the CEAP is fully realized. It is NERC’s intent to pilot the CEAP project to determine if any potential revisions need to be made.</p> <p>After successful pilot project(s) have been completed, the CEAP may be revised and an evaluation will be made as to whether and to what extent, the CEAP will need to be incorporated into the Standard Process Manual, the NERC Rules of Procedure, or other NERC documents (e.g. Standard Drafting Team Guidelines, etc.). A revised CEAP will be posted for a comment period and NERC will respond in writing to comments in the same manner as prescribed by the NERC Standard Processes Manual.</p>		
Texas Reliability Entity	No	We agree that alternatives analysis should be an important consideration in the standards process, but we feel the proposed CEAP goes well beyond what is required and adds complexity and work that is counterproductive to the overall effort to streamline and simplify the process. In short, we think the proposed CEAP is not cost-effective, that is, it will not provide benefits commensurate with the amount of effort required to do it right. And if it is not done right (which is a very real risk) then it will be wasted effort. We propose simply requiring each drafting team to produce a documented “alternatives analysis” explaining the alternatives they considered and why one was selected over the others.

Organization	Yes or No	Question 5 Comment
<p>Response: Thank you for your comment.</p> <p>The Cost Effectiveness Analysis Process (“CEAP”) is not incorporated into the proposed revisions to the Standard Processes Manual. It is initially envisioned to be a Guideline document. In order to address the Standard Process Input Recommendation regarding the consideration of cost in the standard development process, it is proposed that additional questions regarding cost will be included in the posting of comment periods. This is intended to be an interim step until development of the CEAP is fully realized. It is NERC’s intent to pilot the CEAP project to determine if any potential revisions need to be made.</p> <p>After successful pilot project(s) have been completed, the CEAP may be revised and an evaluation will be made as to whether and to what extent, the CEAP will need to be incorporated into the Standard Process Manual, the NERC Rules of Procedure, or other NERC documents (<i>e.g.</i> Standard Drafting Team Guidelines, etc.). A revised CEAP will be posted for a comment period and NERC will respond in writing to comments in the same manner as prescribed by the NERC Standard Processes Manual.</p> <p>We do agree that the CEAP needs to be done properly. The CEAP as proposed is intended to solicit high level information to supplement the standards development process. The information collected via the CEAP should enable drafting teams to evaluate alternatives, even if a formal “alternative analysis” is not included in the final drafting team product. This type of analysis may not be possible without the input from the industry that the CEAP solicits. We agree that there will be additional burden for the industry. We believe that the benefits of the CEAP outweigh the additional burden on the industry and that the CEAP is not <i>overly</i> burdensome because it is high-level. The success of the CEAP pilot will help determine how the project moves forward.</p>		
NextEra Energy Inc.	No	Please see NextEra’s comments filed on the CEAP.
<p>Response: Your separately submitted comments on the CEAP will be addressed in that Comment Report.</p>		
Flathead Electric Cooperative, Inc.	No	This Cost Effective Analysis Proposal is a good first step at giving a price tag to each of these standards. However, it is unclear what happens if the price tag is high and where does the consumer-elected governing body or state regulators have a say in whether that cost is worth the price. Regardless the analysis of the cost is a good first step. It is unclear if the information would be gathered early enough in the process of developing a standard for a standard to be cancelled due to cost concerns. Although, it would be difficult to pre-determine the cost of a standard that may change significantly in the development process, thereby increasing its regulatory cost

Organization	Yes or No	Question 5 Comment
		<p>burden. Generally, support the direction of the CEA proposal, but the issue of FERC exercising its reliability authority in areas where it does not also have rate making authority has created a situation whereby costs are created in a mandatory fashion, but the source of funding is an after-thought. Depending upon the outcome of the BES definition process, this tension may be eased somewhat if the focus returns to the bulk transmission system where FERC has more defined rate making authority.</p>
<p>Response: Thank you for your comment. The CEAP is not currently intended to determine whether or not a standard should go forward based on cost. Within Phase 1, the SAR will identify the reliability gap along with cost effective proposed methods to improve reliability. In Phase 2 the cost effectiveness of alternative methods will be identified by the SDT and industry that could satisfy the standard requirements.</p> <p>The Cost Effectiveness Analysis Process (“CEAP”) is not incorporated into the proposed revisions to the Standard Processes Manual. It is initially envisioned to be a Guideline document. In order to address the Standard Process Input Recommendation regarding the consideration of cost in the standard development process, it is proposed that additional questions regarding cost will be included in the posting of comment periods. This is intended to be an interim step until development of the CEAP is fully realized. It is NERC’s intent to pilot the CEAP project to determine if any potential revisions need to be made.</p> <p>After successful pilot project(s) have been completed, the CEAP may be revised and an evaluation will be made as to whether and to what extent, the CEAP will need to be incorporated into the Standard Process Manual, the NERC Rules of Procedure, or other NERC documents (e.g. Standard Drafting Team Guidelines, etc.). A revised CEAP will be posted for a comment period and NERC will respond in writing to comments in the same manner as prescribed by the NERC Standard Processes Manual.</p>		
Georgia System Operations	No	<p>There is insufficient detail in the CEAP proposal to provide substantive input. A more detailed vision of the plan to implement this proposal is needed. We recommend doing an informal trial of this approach on a small number of selected standards and developing a more detailed proposal based on the results of that trial. We emphatically agree that it is advisable to include consideration of cost-benefit in the development or revision of Reliability Standards.</p>
<p>Response: Thank you for your comment.</p> <p>The Cost Effectiveness Analysis Process (“CEAP”) is not incorporated into the proposed revisions to the Standard Processes Manual.</p>		

Organization	Yes or No	Question 5 Comment
<p>It is initially envisioned to be a Guideline document. In order to address the Standard Process Input Recommendation regarding the consideration of cost in the standard development process, it is proposed that additional questions regarding cost will be included in the posting of comment periods. This is intended to be an interim step until development of the CEAP is fully realized. It is NERC’s intent to pilot the CEAP project to determine if any potential revisions need to be made.</p> <p>After successful pilot project(s) have been completed, the CEAP may be revised and an evaluation will be made as to whether and to what extent, the CEAP will need to be incorporated into the Standard Process Manual, the NERC Rules of Procedure, or other NERC documents (e.g. Standard Drafting Team Guidelines, etc.). A revised CEAP will be posted for a comment period and NERC will respond in writing to comments in the same manner as prescribed by the NERC Standard Processes Manual.</p>		
Public Service Enterprise Group	No	We do not support the CEAP as written. Please see our separately submitted comments on the CEAP matter.
<p>Response: Thank you for your comment. Your separately submitted comments on the CEAP will be addressed in that Comment Report.</p>		
Illinois Municipal Electric Agency	No	Illinois Municipal Electric Agency (IMEA) supports comments submitted by Florida Municipal Power Agency.
<p>Response: Thank you for your comment.</p> <p>The Cost Effectiveness Analysis Process (“CEAP”) is not incorporated into the proposed revisions to the Standard Processes Manual. It is initially envisioned to be a Guideline document. In order to address the Standard Process Input Recommendation regarding the consideration of cost in the standard development process, it is proposed that additional questions regarding cost will be included in the posting of comment periods. This is intended to be an interim step until development of the CEAP is fully realized. It is NERC’s intent to pilot the CEAP project to determine if any potential revisions need to be made.</p> <p>After successful pilot project(s) have been completed, the CEAP may be revised and an evaluation will be made as to whether and to what extent, the CEAP will need to be incorporated into the Standard Process Manual, the NERC Rules of Procedure, or other NERC documents (e.g. Standard Drafting Team Guidelines, etc.). A revised CEAP will be posted for a comment period and NERC will respond in writing to comments in the same manner as prescribed by the NERC Standard Processes Manual.</p>		

Organization	Yes or No	Question 5 Comment
City of Austin dba Austin Energy	No	<p>AE strongly agrees with the idea of employing a cost/benefit analysis before creating new standards or revising existing standards. However, we believe the proposed CEAP will create too much additional burden on the industry. We recommend following the Phase I ("Cost Impact Analysis") as currently proposed (i.e. the "high level" analysis) and then, instead of going directly to the "Cost Effectiveness Assessment" (CEA), asking industry members if they believe a CEA is necessary before proceeding.</p>
<p>Response: Thank you for your comment. It is currently proposed that the CEAP process will be conducted in tandem with the normal standards development process and questions posed during the applicable comment periods for SAR and Standard will capture the information necessary. We believe that the benefits of the CEAP outweigh the additional burden on the industry and encourage entities of all sizes and resource levels to participate as much as possible and to take advantage of pooling comments and industry trade groups for submitting comments. It is anticipated that all entities may benefit from any information that is submitted by other entities, and the more entities that are able to submit will increase these overall benefits.</p> <p>It is NERC’s intent to pilot the CEAP project to determine if any potential revisions need to be made. After successful pilot project(s) have been completed, the CEAP may be revised and an evaluation will be made as to whether and to what extent, the CEAP will need to be incorporated into the Standard Process Manual, the NERC Rules of Procedure, or other NERC documents (e.g. Standard Drafting Team Guidelines, etc.). One of the issues that will be considered in the future is whether there should be a threshold for conducting a CEA. A revised CEAP will be posted for a comment period and NERC will respond in writing to comments in the same manner as prescribed by the NERC Standard Processes Manual.</p>		
FirstEnergy Corp	No	<p>FE agrees that a formal process for cost effectiveness should be considered during the development of any new and revised Reliability Standards. An adequate level of reliability (benefits) versus the cost of implementing the standard should be used to determine whether a standard will continue through the various standards process development. However, it is unclear if the phrase “this draft document” in this question is referring to the CEAP or the Standard Process Manual, we assume the latter. In section 4.1 it’s indicated that a SAR will require “a discussion of the</p>

Organization	Yes or No	Question 5 Comment
		reliability-related benefits and costs of developing the new Reliability Standard”. The SPM should be adjusted to footnote the CEAP process for the cost/benefit analysis that must be performed.
<p>Response: Thank you for your comment. The reference to “this draft document” is in fact referring to the SPM posting in this context. Regarding the reference to addition of the footnote, it is planned that the CEAP Document recently posted for comment in the NERC process is currently envisioned to be a separate guideline document as “part of” the considerations the NERC Standards Committee and Standard Drafting Teams will use as they develop standards.</p> <p>The CEAP is not incorporated into the proposed revisions to the Standard Processes Manual. It is initially envisioned to be a Guideline document. In order to address the Standard Process Input Recommendation regarding the consideration of cost in the standard development process, it is proposed that additional questions regarding cost will be included in the posting of comment periods. This is intended to be an interim step until development of the CEAP is fully realized. It is NERC’s intent to pilot the CEAP project to determine if any potential revisions need to be made.</p> <p>After successful pilot project(s) have been completed, the CEAP may be revised and an evaluation will be made as to whether and to what extent, the CEAP will need to be incorporated into the Standard Process Manual, the NERC Rules of Procedure, or other NERC documents (e.g. Standard Drafting Team Guidelines, etc.). A revised CEAP will be posted for a comment period and NERC will respond in writing to comments in the same manner as prescribed by the NERC Standard Processes Manual.</p>		
Ameren	No	In principle we agree but clarification on how CEAP process will work is still needed. We had reviewed and provided comments separately on another NERC CEAP proposal. We suggest that the SDT should coordinate with that project.
<p>Response: Thank you for your comment. Your separately submitted comments on the CEAP will be addressed in that Comment Report. Clarification: There is only one CEAP proposal. The separate posting ending on July 6, 2012 is the same CEAP that is referred to in this SPM request for comment.</p>		
Indiana Municipal Power Agency	No	Indiana Municipal Power Agency supports the comments submitted by Florida Municipal Power Agency.
<p>Response: Thank you for your comment. Please see the response to FMPA comments.</p>		

Organization	Yes or No	Question 5 Comment
ISO New England Inc.	No	<p>We agree that the CEAP as proposed is a good start. Since the changes to the SPM were to support the SPIG recommendations. The “steering group” and the concept of cost effectiveness need to be brought into Section 4 (Process for Developing, Modifying or Retiring a Reliability Standard”). The underlying precept of the SPIG is that we need to move away from a volumetric approach to standards, to a focused development of standards that add value and provide an ALR. As part of the SAR process, there needs to be a triage that clearly addresses what’s missing in ALR, and how the standard will provide it. The process of opening a solicitation every year seeking ideas for new Standards Development proposals should be stopped. The industry is overwhelmed with standards actions. If the issue is important enough to be a standard, a SAR should be submitted.</p>
<p>Response: Thank you for your comments. The concept of a Reliability Issues Steering Committee or “RISC” is being developed which is envisioned to actively Triage newly identified reliability issues and standards development projects. Also, the Charter for the Reliability Issues Steering Committee, (RISC), is not under the purview of the Standards Committee and is not part of the standard development process. The draft charter and initial slate for the RISC was approved by the NERC BOT in August and the SC looks forward to clarifying the relationship between the SC and RISC. The Standards Committee (SC) acknowledges that there will be a necessary interface coordination to be implemented in order to assure effective coordination between the activities of the RISC and those of the SC. As the SPM continues to be revised, additional consideration will be given to the issues you have identified.</p>		
Trans Bay Cable LLC	No	<p>This Cost Effective Analysis Proposal is a good first step at giving a price tag to each of these standards. However, it is unclear what happens if the price tag is high and where does the consumer-elected governing body or state regulators have a say in whether that cost is worth the price. Regardless the analysis of the cost is a good first step. It is unclear if the information would be gathered early enough in the process of developing a standard for a standard to be cancelled due to cost concerns. Although, it would be difficult to pre-determine the cost of a standard that may change significantly in the development process, thereby increasing its regulatory cost burden. Generally, support the direction of the CEA proposal, but the issue of FERC exercising its reliability authority in areas where it does not also have rate making</p>

Organization	Yes or No	Question 5 Comment
		<p>authority has created a situation whereby costs are created in a mandatory fashion, but the source of funding is an after-thought. Depending upon the outcome of the BES definition process, this tension may be eased somewhat if the focus returns to the bulk transmission system where FERC has more defined rate making authority.</p>
<p>Response: Thank you for your comment. The CEAP is not currently intended to determine whether or not a standard should go forward based on cost. Within Phase 1, the SAR will identify the reliability gap along with cost effective proposed methods to improve reliability. In Phase 2 the cost effectiveness of alternative methods will be identified by the SDT and industry that could satisfy the standard requirements.</p> <p>The CEAP is not incorporated into the proposed revisions to the Standard Processes Manual. It is initially envisioned to be a Guideline document. In order to address the Standard Process Input Recommendation regarding the consideration of cost in the standard development process, it is proposed that additional questions regarding cost will be included in the posting of comment periods. This is intended to be an interim step until development of the CEAP is fully realized. It is NERC’s intent to pilot the CEAP project to determine if any potential revisions need to be made.</p> <p>After successful pilot project(s) have been completed, the CEAP may be revised and an evaluation will be made as to whether and to what extent, the CEAP will need to be incorporated into the Standard Process Manual, the NERC Rules of Procedure, or other NERC documents (e.g. Standard Drafting Team Guidelines, etc.). A revised CEAP will be posted for a comment period and NERC will respond in writing to comments in the same manner as prescribed by the NERC Standard Processes Manual.</p>		
Exelon Corporation	No	<p>In the CEAP comment period, Exelon raised a number of questions about the CEAP including questions about its role relative to the SPM. There is no mention of the CEAP in the proposed SPM. It remains unclear how these two components will interact and be effectively utilized. More information is needed to assess.</p>
<p>Response: Thank you for your comment.</p> <p>The CEAP is not incorporated into the proposed revisions to the Standard Processes Manual. It is initially envisioned to be a Guideline document. In order to address the Standard Process Input Recommendation regarding the consideration of cost in the standard development process, it is proposed that additional questions regarding cost will be included in the posting of comment periods. This is intended to be an interim step until development of the CEAP is fully realized. It is NERC’s intent to pilot the CEAP</p>		

Organization	Yes or No	Question 5 Comment
<p>project to determine if any potential revisions need to be made.</p> <p>After successful pilot project(s) have been completed, the CEAP may be revised and an evaluation will be made as to whether and to what extent, the CEAP will need to be incorporated into the Standard Process Manual, the NERC Rules of Procedure, or other NERC documents (e.g. Standard Drafting Team Guidelines, etc.). A revised CEAP will be posted for a comment period and NERC will respond in writing to comments in the same manner as prescribed by the NERC Standard Processes Manual.</p>		
<p>ACES Power Marketing Standards Collaborators</p>	<p>Yes</p>	<p>We indicated in our comments on the CEAP that it represents a good start for a cost measure that will ultimately need further refinement. Considering the recommendation is high-level, CEAP probably does meet the recommendation.</p>
<p>Response: Thank you for your supportive comment.</p> <p>The CEAP is not incorporated into the proposed revisions to the Standard Processes Manual. It is initially envisioned to be a Guideline document. In order to address the Standard Process Input Recommendation regarding the consideration of cost in the standard development process, it is proposed that additional questions regarding cost will be included in the posting of comment periods. This is intended to be an interim step until development of the CEAP is fully realized. It is NERC’s intent to pilot the CEAP project to determine if any potential revisions need to be made.</p> <p>After successful pilot project(s) have been completed, the CEAP may be revised and an evaluation will be made as to whether and to what extent, the CEAP will need to be incorporated into the Standard Process Manual, the NERC Rules of Procedure, or other NERC documents (e.g. Standard Drafting Team Guidelines, etc.). A revised CEAP will be posted for a comment period and NERC will respond in writing to comments in the same manner as prescribed by the NERC Standard Processes Manual.</p>		
<p>MRO NSRF</p>	<p>Yes</p>	<p>The NSRF agrees with the SPIG recommendation to ensure cost effectiveness of the standards, but notes that the CEAP process should not delay the standards development process.</p>
<p>Response: Thank you for your comment. It is currently proposed that the CEAP process will be conducted in tandem with the normal standards development process and questions posed during the applicable comment periods for SAR and SDT activities will capture the information necessary to evaluate the CEAP impact. A CEAP pilot project is proposed for a couple of standard projects and more information regarding any potential delays will be identified at that time.</p>		

Organization	Yes or No	Question 5 Comment
<p>The CEAP is not incorporated into the proposed revisions to the Standard Processes Manual. It is initially envisioned to be a Guideline document. In order to address the Standard Process Input Recommendation regarding the consideration of cost in the standard development process, it is proposed that additional questions regarding cost will be included in the posting of comment periods. This is intended to be an interim step until development of the CEAP is fully realized. It is NERC’s intent to pilot the CEAP project to determine if any potential revisions need to be made.</p> <p>After successful pilot project(s) have been completed, the CEAP may be revised and an evaluation will be made as to whether and to what extent, the CEAP will need to be incorporated into the Standard Process Manual, the NERC Rules of Procedure, or other NERC documents (e.g. Standard Drafting Team Guidelines, etc.). A revised CEAP will be posted for a comment period and NERC will respond in writing to comments in the same manner as prescribed by the NERC Standard Processes Manual.</p>		
SPP Standards Review Group	Yes	We are very much in favor of factoring cost consideration into the standard development process. Please refer to our comments that were filed during the CEAP posting and comment period for specific questions, suggestions and comments.
<p>Response: Thank you for your comment. Your separately submitted comments on the CEAP will be addressed in that Comment Report.</p> <p>The CEAP is not incorporated into the proposed revisions to the Standard Processes Manual. It is initially envisioned to be a Guideline document. In order to address the Standard Process Input Recommendation regarding the consideration of cost in the standard development process, it is proposed that additional questions regarding cost will be included in the posting of comment periods. This is intended to be an interim step until development of the CEAP is fully realized. It is NERC’s intent to pilot the CEAP project to determine if any potential revisions need to be made.</p> <p>After successful pilot project(s) have been completed, the CEAP may be revised and an evaluation will be made as to whether and to what extent, the CEAP will need to be incorporated into the Standard Process Manual, the NERC Rules of Procedure, or other NERC documents (e.g. Standard Drafting Team Guidelines, etc.). A revised CEAP will be posted for a comment period and NERC will respond in writing to comments in the same manner as prescribed by the NERC Standard Processes Manual.</p>		
Bonneville Power Administration	Yes	BPA appreciates the Standards Committee’s work on this. BPA recognizes that this project will be a continuous improvement process.
<p>Response: Thank you for your support of the project and we agree that over time, much like the standards development process,</p>		

Organization	Yes or No	Question 5 Comment
<p>opportunities for improvement will be identified and revisions proposed.</p> <p>The Cost Effectiveness Analysis Process (“CEAP”) is not incorporated into the proposed revisions to the Standard Processes Manual. It is initially envisioned to be a Guideline document. In order to address the Standard Process Input Recommendation regarding the consideration of cost in the standard development process, it is proposed that additional questions regarding cost will be included in the posting of comment periods. This is intended to be an interim step until development of the CEAP is fully realized. It is NERC’s intent to pilot the CEAP project to determine if any potential revisions need to be made.</p> <p>After successful pilot project(s) have been completed, the CEAP may be revised and an evaluation will be made as to whether and to what extent, the CEAP will need to be incorporated into the Standard Process Manual, the NERC Rules of Procedure, or other NERC documents (e.g. Standard Drafting Team Guidelines, etc.). A revised CEAP will be posted for a comment period and NERC will respond in writing to comments in the same manner as prescribed by the NERC Standard Processes Manual.</p>		
<p>SERC Planning Standards Subcommittee</p>	<p>Yes</p>	<p>We agree that there should be a cost effectiveness process included in the standards development process. However, comments on the proposed CEAP are being collected in a separate posting.</p>
<p>Response: Thank you for your comment. Your separately submitted comments on the CEAP will be addressed in that Comment Report.</p> <p>The CEAP is not incorporated into the proposed revisions to the Standard Processes Manual. It is initially envisioned to be a Guideline document. In order to address the Standard Process Input Recommendation regarding the consideration of cost in the standard development process, it is proposed that additional questions regarding cost will be included in the posting of comment periods. This is intended to be an interim step until development of the CEAP is fully realized. It is NERC’s intent to pilot the CEAP project to determine if any potential revisions need to be made.</p> <p>After successful pilot project(s) have been completed, the CEAP may be revised and an evaluation will be made as to whether and to what extent, the CEAP will need to be incorporated into the Standard Process Manual, the NERC Rules of Procedure, or other NERC documents (e.g. Standard Drafting Team Guidelines, etc.). A revised CEAP will be posted for a comment period and NERC will respond in writing to comments in the same manner as prescribed by the NERC Standard Processes Manual.</p>		
<p>Oklahoma Gas & Electric</p>	<p>Yes</p>	<p>We encourage NERC to factor cost consideration into the standard development process.</p>

Organization	Yes or No	Question 5 Comment
<p>Response: Thank you for your support of this project.</p> <p>The Cost Effectiveness Analysis Process (“CEAP”) is not incorporated into the proposed revisions to the Standard Processes Manual. It is initially envisioned to be a Guideline document. In order to address the Standard Process Input Recommendation regarding the consideration of cost in the standard development process, it is proposed that additional questions regarding cost will be included in the posting of comment periods. This is intended to be an interim step until development of the CEAP is fully realized. It is NERC’s intent to pilot the CEAP project to determine if any potential revisions need to be made.</p> <p>After successful pilot project(s) have been completed, the CEAP may be revised and an evaluation will be made as to whether and to what extent, the CEAP will need to be incorporated into the Standard Process Manual, the NERC Rules of Procedure, or other NERC documents (e.g. Standard Drafting Team Guidelines, etc.). A revised CEAP will be posted for a comment period and NERC will respond in writing to comments in the same manner as prescribed by the NERC Standard Processes Manual.</p>		
<p>American Transmission Company</p>	<p>Yes</p>	<p>ATC agrees with the SPIG recommendation to ensure cost effectiveness of the standards, but notes that the CEAP process should not delay the standards development process. ATC is not clear as to how the CEAP will be incorporated so that the development process is not delayed.</p>
<p>Response: Thank you for your comment.</p> <p>It is currently proposed that the CEAP process will be conducted in tandem with the normal standards development process and questions posed during the applicable comment periods for SARs and Standards will capture the information necessary. A pilot will be completed to gather additional experience and gather more information regarding any potential delays.</p> <p>The CEAP is not incorporated into the proposed revisions to the Standard Processes Manual.</p> <p>It is initially envisioned to be a Guideline document. In order to address the Standard Process Input Recommendation regarding the consideration of cost in the standard development process, it is proposed that additional questions regarding cost will be included in the posting of comment periods. This is intended to be an interim step until development of the CEAP is fully realized. It is NERC’s intent to pilot the CEAP project to determine if any potential revisions need to be made.</p> <p>After successful pilot project(s) have been completed, the CEAP may be revised and an evaluation will be made as to whether and to what extent, the CEAP will need to be incorporated into the Standard Process Manual, the NERC Rules of Procedure, or other NERC documents (e.g. Standard Drafting Team Guidelines, etc.). A revised CEAP will be posted for a comment period and NERC will</p>		

Organization	Yes or No	Question 5 Comment
respond in writing to comments in the same manner as prescribed by the NERC Standard Processes Manual.		
Western Electricity Coordinating Council	Yes	
Salt River Project	Yes	
Manitoba Hydro	Yes	
Kansas City Power & Light	Yes	
Independent Electricity System Operator	Yes	
Pepco Holdings Inc.	Yes	
ReliabilityFirst	Yes	
Essential Power, LLC	Yes	
Dominion		The Cost Effective Analysis Proposal is currently posted for industry comment and Dominion intends to file comments there.
Response: Thank you for your comment. Your separately submitted comments on the CEAP will be addressed in that Comment Report.		
PPL Corporation NERC Registered Affiliated		While the PPL Companies support a greater consideration of the cost/benefits of a revision or creation of a standard, the PPL Companies have some concerns with the CEAP: a. In Step 1, the responsibility of providing a report and recommendation based upon the CIA questions in Appendix B should not rest with NERC Staff, but with industry

Organization	Yes or No	Question 5 Comment
		<p>SMEs. In Step 4, the report and recommendation should not be provided by NERC Staff, but by industry SMEs. However, NERC staff should be available to support the SMEs work.</p> <p>b. Responses to the questions in Appendix B should be reported separately for each of the groups covered by the draft standard (GOs, TOs, TOPs, etc., as applicable), not as a single figure for all of industry. This will help identify where standards that may be acceptable on an aggregate basis involve placing an excessive burden on one segment of the stakeholders. In addition, the cost/benefit analysis should consider different industry and organizational structures. For example, the burdens placed on a vertically-owned utility and an independent generator for a particular standard may be very different. Additionally, there are differences between ISO/RTO and non-ISO/RTO regions (e.g., black start compensation). Such differences should be considered in assessing the cost and benefits.</p> <p>c. If there are significant differences in costs and benefits between phase 1 and 2, a third phase consisting of a NERC-funded pilot at volunteer entities could be helpful in obtaining greater certainty on actual costs and benefits.</p> <p>d. The phase 1 and 2 inquiries should have added to them the question, “Are there alternative measures that would demonstrate compliance in a less burdensome manner than those presently proposed, or re-phrasings that would eliminate uncertainty?” This aspect of compliance is oftentimes not as well developed in draft standards as the technical requirements. The PPL Companies recommend that NERC, after considering industry comments and with Stakeholder approval, finalize its CEAP before deciding if the CEAP addresses the SPIG recommendation.</p>
<p>Response: Thank you for your comment. You identify many considerations that the CEAP must address. With industry support and involvement, the CEAP will be revised and a new draft will be posted for comment.</p> <p>The CEAP is not incorporated into the proposed revisions to the Standard Processes Manual. It is initially envisioned to be a Guideline document. In order to address the Standard Process Input Recommendation regarding the consideration of cost in the standard development process, it is proposed that additional questions regarding cost will be included in the posting of comment</p>		

Organization	Yes or No	Question 5 Comment
		<p>periods. This is intended to be an interim step until development of the CEAP is fully realized. It is NERC’s intent to pilot the CEAP project to determine if any potential revisions need to be made.</p> <p>After successful pilot project(s) have been completed, the CEAP may be revised and an evaluation will be made as to whether and to what extent, the CEAP will need to be incorporated into the Standard Process Manual, the NERC Rules of Procedure, or other NERC documents (e.g. Standard Drafting Team Guidelines, etc.). A revised CEAP will be posted for a comment period and NERC will respond in writing to comments in the same manner as prescribed by the NERC Standard Processes Manual.</p>
<p>National Grid and Niagara Mohawk (A National Grid Company)</p>		<p>National Grid’s understanding is that the CEAP document that was proposed is not intended for inclusion in the SMP and is not part of the currently proposed SPM revision, therefore is outside the scope of comments related to the SPM at this time.</p>
<p>Response: Thank you for your comment. Your separately submitted comments on the CEAP will be addressed in that Comment Report.</p> <p>The CEAP is not incorporated into the proposed revisions to the Standard Processes Manual.</p> <p>It is initially envisioned to be a Guideline document. In order to address the Standard Process Input Recommendation regarding the consideration of cost in the standard development process, it is proposed that additional questions regarding cost will be included in the posting of comment periods. This is intended to be an interim step until development of the CEAP is fully realized. It is NERC’s intent to pilot the CEAP project to determine if any potential revisions need to be made.</p> <p>After successful pilot project(s) have been completed, the CEAP may be revised and an evaluation will be made as to whether and to what extent, the CEAP will need to be incorporated into the Standard Process Manual, the NERC Rules of Procedure, or other NERC documents (e.g. Standard Drafting Team Guidelines, etc.). A revised CEAP will be posted for a comment period and NERC will respond in writing to comments in the same manner as prescribed by the NERC Standard Processes Manual.</p>		

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

Summary Consideration:

Organization	Yes or No	Question 6 Comment
Exelon Corporation		<p>- RISC: The respective roles and responsibilities of the RISC and SC remain unclear. This is a critical component for stakeholders to understand before judging revisions to the SPM.</p> <p>- Section 4.2: For clarity, please consider delineating the drafting team in place at the SAR stage from the drafting team responsible for developing the reliability standard. These are distinctly different tasks in particular because often the SAR requester (either individual or team) participates in developing the draft SAR and in responding to comments on a posted draft SAR. As well, if current practice applies going forward, the Standards Committee can name a SAR comment review team when it approves a SAR for posting. That practice may be prudent in expediting the posting process; however, the SAR review team may not prove sufficiently diverse as a standard drafting team.</p> <p>It is not clear whether the SAR requester/sponsor can serve on the standard drafting team once a SAR is approved as a standard project. This should be clarified to stakeholders.</p> <p>- Section 7.0 – Interpretations: Greater clarity needed on the decision making process behind a potential Standards Committee decision to change a Request for Interpretation into a Standard revision</p>

Organization	Yes or No	Question 6 Comment
		<p>project. As currently proposed, the Standards Committee can reject a request for interpretation if the interpretation seeks to revise a standard, but the SC can also change the interpretation request into a standard revision. It is not clear how such decisions are made and what process transitions occur when a project changes from an Interpretation to a Standard revision.</p> <p>The request should be thoroughly discussed with requesters before a decision is made to change the path forward. The Interpretation requester should also be given the option of objecting to the conversion of an interpretation to a standard revision project and such an objection should be clearly noted in the SAR.</p> <p>In addition, as noted with SARs and Standards projects, it is not clear whether the Interpretation requester can serve on the interpretation drafting team. This should be clarified to stakeholders. If requesters are not to serve on the interpretation drafting team then the SC must emphasize communication with the requester to fully understand the rationale and technical concerns behind the interpretation request.</p> <p>- Section 16: Waiver Provision: Exelon agrees with the EEI comments. This provision is unnecessary and ill advised in its execution</p> <p>- Procedures: The proposed SPM references Standards Committee procedures. Please discuss the role of procedures, the procedure development process, how procedures approved and how procedures are communicated to stakeholders.</p> <p>- Section 4.8, page 20: The language contemplates changes in the individual representing the ballot pool entity, how will changes in the ballot pool entity status such as due to merger or acquisition be managed?</p>

Organization	Yes or No	Question 6 Comment
		<p>- Section 4.1, page 15: Please clarify what criteria determine the decision to remand or reject and whether the SC will post explanations for SAR rejection.</p> <p>- Section 3.7, page 11 The sentence suggests that there are only eight provinces in Canada when I believe it intends to reference only the eight covered by the NERC regions. I believe merely dropping the second “the” clarifies: “...the provincial governments of each of eight Canadian Provinces (Manitoba, Nova Scotia, Saskatchewan, Alberta, Ontario, British Columbia, New Brunswick and Quebec)...”</p> <p>- EEI comments: While referenced in response to some specific questions above, to the points not yet discussed, Exelon reiterates its agreement and support for the concerns raised in the EEI comments.</p> <p>Thank you for the opportunity to comment.</p>
<p>Response: Thank you for your comments. The Charter for the Reliability Issues Steering Committee, (RISC), is not under the purview of the Standards Committee and is not part of the standard development process. The draft charter and initial slate for the RISC was approved by the NERC BOT in August and the SC looks forward to clarifying the relationship between the SC and RISC. The Standards Committee (SC) acknowledges that there will be a necessary interface coordination to be implemented in order to assure effective coordination between the activities of the RISC and those of the SC. However, the Standards Committee has been charged with developing a set of revisions to implement SPIG recommendations 1, 4, and 5 and bringing the proposed revisions to the NERC Board of Trustees for approval in November 2012. Given this charge, the Standards Committee believes that it is appropriate to move forward with a set of changes now to implement as many improvements as possible, recognizing that some aspects of the process</p>		

Organization	Yes or No	Question 6 Comment
		<p>may need to be adjusted as experience is gained with RISC and with the new process.</p> <p>Regarding the delineation of drafting team composition in Section 4.2, there is no single best formula for drafting team composition that will suit every standard development project. Refraining from delineating a specific composition within the SPM provides flexibility necessary to allow a drafting team with the appropriate composition to be formed. To avoid a conflict of interest, NERC has adopted a practice of not allowing interpretation requesters to participate on the drafting team that prepares the interpretation, and will continue this practice, but does not believe it is necessary to include this information in the SPM.</p> <p>Regarding the right of a requester of an interpretation to determine how the request is to be processed, NERC staff does not agree that the requester has an explicit right to maintain control over every aspect of the request. By its nature, an interpretation is inefficient in that it requires all of the same processing steps as revision of a standard, but does not “fix” the underlying standard. A requester does not have a responsibility to make efficient use of industry resources, but NERC staff and the Standards Committee do have this responsibility and without the ability to make processing decisions, will not be able to fulfill the responsibility.</p> <p>Regarding clarification of criteria for remanding a SAR – this section of the SPM was not revised but it is anticipated that future revisions to the process will be required to, among other things, clarify the relative roles of the SC and the RISC. Please provide specific recommendations at that time.</p> <p>Regarding Canadian Provinces – thank you for the clarification. No other entity made this observation and it was not corrected in the revised draft of the SPM that was posted for comment. The change will be reviewed with NERC Legal to provide consistent language with other sections of the NERC Rules of Procedure.</p> <p>The Standards Committee Process Subcommittee has developed a number of detailed procedures which have been circulated for comment to the Process Subcommittee and Standards Committee prior to being approved by the Standards Committee. These procedures are posted on the NERC Standards website under “Resource Documents.”</p> <p>Please see the response to EEI comments as well.</p>
Texas Reliability Entity		<p>(1) Why was “Additional Compliance Information” removed as a possible component of a Reliability Standard? (p. 10) That has been a legitimate and helpful component in the past.(2) Even with NERC’s Quality Review process in place, there is still room for improvement in the quality of materials that are posted for ballot. We suggest that, under any revised process, the NERC-assigned facilitator/technical writer/project manager (may be more than one person) should be made clearly and</p>

Organization	Yes or No	Question 6 Comment
		<p>fully responsible for the QUALITY of the SDT’s work product. This would include compliance with the SPM and other applicable guidelines, consistency (both internally and with other standards), and editorial quality (e.g., unambiguous language, logical organization, completeness, and few if any obvious errors in final documents). The SDT technical members should remain fully responsible for the technical content of the standard.</p>
<p>Response: Thank you for your comment. Additional Compliance Information is intended to be incorporated into the RSAW.</p>		
<p>ACES Power Marketing Standards Collaborators</p>		<p>-1- On p. 25 under “Form Ballot Pool” it says that “NERC Reliability Standards staff shall establish a ballot pool during the first 30 calendar days of the 45-day formal comment period. However, in the next paragraph it says that “Any member of the Registered Ballot Body may join or withdraw from the ballot pool until the ballot window opens,” and in the next section under “Conduct Ballot” it says that “The ballot window shall take place during the last 10 calendar days of the 45-day formal comment period.” This suggests that there is a 35-day period to join the ballot pool, which contradicts the previously mentioned 30-day period. This contradiction needs to be cleared up.</p> <p>Thank you for your comment. This is not a contradiction – a member of the Registered Ballot Body is allowed to withdraw from a ballot pool that they have joined as long as no ballot has started. A member of the Registered Ballot Body is required to join the ballot pool during the 30-day window that the ballot pool is open to be joined. So, for example, if a member of the RBB erroneously joins a ballot pool, they may contact NERC staff to be removed as long as balloting has not been initiated. The language in the SPM allows for this.</p> <p>-2- Towards the top of p. 6 it says “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.” But down on p. 26 it says “A quorum, which is established by at least 75% of the members of the ballot pool submitting a response</p>

Organization	Yes or No	Question 6 Comment
		<p>excluding abstentions and non-responses.” I believe that the statement from p. 6 needs to be edited as the statement on p. 26 was.</p> <p>Thank you. The method for calculating a quorum has been revised to include abstentions, consistent with the current SPM.</p> <p>-3- On p. 41 on the Process for Developing an Interpretation Diagram, Step 3, on the right side says that standards staff will form a ballot pool at this time. However, down in step 6 of the same diagram, on the left side, it says that the ballot pool will be formed during first 30 days of the formal comment period. This seems to be a contradiction that needs to be cleared up.</p> <p>Thank you. The diagrams will be corrected when the process revisions have been finalized.</p> <p>-4- On p. 32, under “Process for Developing a Defined Term,” it says “Definitions shall not contain statements of performance Requirements.” Since results-based standards involve three kinds of requirements, “performance” being one of them, this statement could be interpreted to mean that definitions cannot establish “performance” requirements, but can establish the other two kinds of requirements. Is this the intended meaning? If not, then it needs to be clearly stated that definitions cannot contain statements of any of the three types of standard requirements.</p> <p>The SC anticipates that additional revisions to the standards process will be required in the near future, including changes to address the relative roles and responsibilities of the SC and RISC, and changes to address your comment will be considered at that time.</p>
<p>Response: Thank you for your comments. See responses embedded above.</p>		
National Grid and Niagara		<p><u>1) Standards Drafting Team Composition:</u> National Grid supports the changes to</p>

Organization	Yes or No	Question 6 Comment
Mohawk (A National Grid Company)		<p>Section 3.6 with regard to composition of drafting teams. However, National Grid believes that the standards drafting teams need better leadership in order to operate effectively, especially if quality review will be an ongoing process. National Grid recommends that this section be further revised to designate a project manager for each Standards Drafting Team with a defined role to: 1) ensure project deliverables and deadlines are met; 2) be responsible for oversight of the quality review process; 3) ensure the work of the team remains within the scope of the SAR. National Grid is not suggesting that a new position be created, but that a better-defined project manager function could be incorporated into either the role of the team chairperson or the team’s NERC facilitator. With the addition of more non-technical experts to drafting teams, the project manager role might be better served by a non-technical member of the team.</p> <p><u>2) Section 16 Waiver Provision:</u> National Grid generally supports the concept of a waiver provision with appropriate controls/qualifications to ensure the provision is not abused. National Grid is concerned that the proposed Waiver provision, as drafted, is slightly too broad. The provision should require a clear demonstration of why the SPM process is inadequate in the circumstances where a waiver is permitted. National Grid suggests the following edits to the first two bullet points following “limited to the following circumstances”:</p> <ul style="list-style-type: none"> o Where the standards team demonstrates that the SPM process will not allow the team to meet regulatory deadlines set by FERC; o Where the standards team demonstrates that the SPM process will not allow the team to meet deadlines imposed by the NERC Board of Trustees; or. . .
<p>Response: Thank you for your comments. Section 4.3 of the proposed revisions to the SPM addresses the addition of a project management function and other non-technical support to aid the drafting team in timely completion of its work.</p> <p>The waiver provision was drafted by NERC Legal at the request of the Standards Committee leadership to address circumstances such as the failed PRC-005-2 recirculation ballot. It is not possible to identify in advance all of the circumstances nor what type of demonstration might be necessary; instead, the provision as drafted relies on a common-sense application and accountability to the</p>		

Organization	Yes or No	Question 6 Comment
<p>NERC Board of Trustees as a means to appropriately limit its application. In all circumstances, if an entity feels that the process has been waived inappropriately, they may appeal the decision.</p>		
<p>Arizona Public Service Company</p>		<p>1. There appears to be typo error in the Sanction Table. Level 2 penalties start at \$75,000. It should be \$7,500 to be consistent. For example Level 3 penalties start with \$ 15,000.2. There should be guidance on how the sanction table is applied, particularly where a large number of elements are involved. For example: for a maintenance violation, are the penalties based on per item or on the overall impact? In many instances impact is not proportional to number of violations. Another example would be time based violation. If an entity missed a requirement which has a small impact, the impact does not grow with time. Another example is the MVA size. A 20 MVA unit does not have the same impact on BES as a 1000 MVA unit. The sanction should be proportional to possible impact. There should be guidance with examples so that industry is clear on the intent of sanctions.3. The proposed Sanction Table does not contemplate a ZERO (0) or FFT type fine. This needs to be addressed before we can support the table.</p>
<p>Response: Thank you for your comments. Based on the majority of the comments received, the SCPS has re-examined the proposed revisions related to VRFs and VSLs, 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. If the Sanction Table concept moves forward at a future time, please provide comments on that proposal.</p>		
<p>Dominion</p>		<p>1. Page 10 of the SPM redline states the following:a. “The only mandatory and enforceable components of a Reliability Standard are the: (1) applicability, (2) Requirements, and the (3) effective dates. The additional components are included in the Reliability Standard for informational purposes, to establish the relevant scope and technical paradigm, and to provide guidance to Functional Entities concerning how compliance will be assessed by the Compliance Enforcement Authority.”b. Dominion supports the retaining the measures as</p>

Organization	Yes or No	Question 6 Comment
		<p>mandatory and enforceable components of the Reliability Standard and believes the RSAW should align with the Requirements and Measures of the standard.</p> <p>2. The Standard Processes Manual (SPM) should address the creation of the Reliability Working Committee in Section 3.0.</p> <p>3. Page 11 of the SPM redline provides conditions for disbanding of a drafting team by the Standards Committee. There is no guidance for the Standards Committee’s disposition of the work should that option be exercised. Will another drafting team be appointed or will the project be canceled?</p> <p>4. The SPM redline text boxes suggest that changes to Section 3.10 are intended to be responsive to SPIG Recommendation 4 by involving compliance staff in the development of RSAWs. Dominion supports the retaining the measures as mandatory and enforceable components of the Reliability Standard and believes the RSAW should align with the Requirements and Measures of the standard.</p> <p>5. On page 21 of the SPM redline; there is a reference to “NERC’s Benchmarks for Excellent Standards.” A search on the NERC website failed to locate a document with that title; however, a document with a similar title was found. Please provide clarification as to the specific reference.</p> <p>6. Step 4.4.2 requires the drafting team to document its justification for the Sanction Table references for each Requirement. Please explain where this justification will be documented. Will the Sanction Table reside in the SPM or in each individual Standard?</p> <p>7. 8. Step 4.7 does not address the drafting team responding to comments during the formal comment period as described in the SCPS White Paper.</p> <p>7. Step 4.11 describes the process for handling a negative ballot without comment or with a comment that is unrelated. This appears to be a cumbersome process and does not improve the efficiency of the standards development process (e.g., 30-days to notify the Standard Process Manager another 10 days for the balloter to respond</p>

Organization	Yes or No	Question 6 Comment
		<p>adds 40 days to the ballot process).</p> <p>8. Step 6.2 in the second paragraph, suggest revising the second sentence to state “Compliance Monitoring and Enforcement Program staff.”</p> <p>9. Examples 3-8 in Section 7 need to be reworded to remove the additional “where” at the beginning of each example.</p> <p>10. Section 13 states Reliability Standards approved by ANSI as American National Standards shall be reviewed at least once every five years. How is this approval designated on the Reliability Standard?</p> <p>11. Section 2.5 Sanction Table Reference; Compliance Element is capitalized, this term is not included in Appendix 2 Definitions Used in the Rules of Procedure. Is this going to be a new proposed term?</p>
<p>Response:</p> <ol style="list-style-type: none"> 1. Thank you for your comments concerning Measures and RSAWs. We believe this concern is alleviated by the process envisioned and the fact that the measures are not enforceable. 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>) 2. The Charter for the Reliability Issues Steering Committee, (RISC), is not under the purview of the Standards Committee and is not part of the standard development process. The draft charter and initial slate for the RISC was approved by the NERC BOT in August and the SC looks forward to clarifying the relationship between the SC and RISC. The Standards Committee (SC) acknowledges that there will be a necessary interface coordination to be implemented in order to assure effective coordination 		

Organization	Yes or No	Question 6 Comment
		<p>between the activities of the RISC and those of the SC.</p> <p>3. It is impossible to predetermine all of the circumstances that might arise and include the appropriate disposition of a drafting team’s work for all of those circumstances. It is appropriate to leave flexibility to address the specific circumstances when this provision is exercised.</p> <p>4. See response #1 above.</p> <p>5. The appropriate title is <i>Ten Benchmarks of an Excellent Reliability Standard</i>.</p> <p>6. Based on the majority of the comments received, the SCPS has re-examined the proposed revisions related to VRFs and VSLs, 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>7. To address your concerns regarding comments received during formal commenting periods and other stakeholder’s comments regarding bundling of comments and providing responses back, the SPM drafting team is proposing the following new Sections 4.12 and 4.13 to replace the previous Sections 4.12 and 4.13 of the draft SPM:</p> <p>4.12: Consideration of Comments</p> <p>If a stakeholder or balloter proposes a significant revision to a Reliability Standard during the formal comment period or concurrent Ballot that will improve the quality, clarity, or enforceability of that Reliability Standard, then the drafting team may choose to make such revisions and post the revised Reliability Standard for another 45 calendar day public comment period and ballot. Prior to posting the revised Reliability Standard for an additional comment period, the drafting team must communicate this decision to stakeholders. This communication is intended to inform stakeholders that the drafting team has identified that significant revisions to the Reliability Standard are necessary and should note that the drafting team is not required to respond in writing to comments from the previous ballot. The drafting team will respond to comments received in the last Additional Ballot prior to conducting a Final Ballot.</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>

Organization	Yes or No	Question 6 Comment
<p>4.13: Additional Ballots</p> <p>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> <p>7. In response to comments concerning the time that would be added to the process in determining the “relevance” of comments associated with ‘no’ votes, the SCPS has modified its proposed revisions to the SPM so that no votes without comments would count toward quorum but would not count in the calculation of approval.</p> <p>8. This language exists in the current SPM and was not revised.</p> <p>9. Thank you for your comment. This cleanup edit will be made before the SPM is finalized for recirculation ballot.</p> <p>10. To date, NERC has not filed any standard with ANSI as an American National Standard, nor has NERC completed a 5-year review of any standard.</p> <p>11. See response #6 above.</p>		
<p>Kansas City Power & Light</p>		<p>1. Section 2.5: Elements of a Reliability Standard On page 9, the current proposal removes “Evidence Retention” as an element of a reliability standard. Thoughtful consideration of the data needed and a realistic expectation for the retention of different kinds of data to demonstrate compliance is an important element in the standards process. It will be an unreasonable expectation for smaller entities to store real time data sampled every few seconds for three or six years. Consideration for data retention should not be overlooked and it is recommended to retain “Evidence Retention” in standards development. In addition, the current proposal removes “Measures” as an element of a reliability standard. Descriptive measures are in harmony with performance based standards and provide the guidance necessary for entities and auditors to understand compliance expectations with the requirements. It is highly recommended the “Measures” element be retained in the standards process. Removal of the “Measures” will result in ambiguity and debate between entities, Regional Entities, and NERC regarding demonstrations of compliance.</p>

Organization	Yes or No	Question 6 Comment
		<p>Section 3.4: Standards Committee On page 12 of the proposal, the first paragraph introduces the concept that the Standards Committee can dismiss a drafting team for a variety of failures of performance. This is considerable power to allow one Committee to hold. There is much in the way of judgment regarding the performance of a drafting team and their efforts and it is a serious matter to consider disbanding a drafting team and the disruption that will cause. It is recommended that the proposal be modified such that the Standards Committee should express standards team performance concerns and recommended actions to another NERC group, such as the Standards Oversight and Technology Committee, and allow the drafting team to defend itself to the NERC group to obtain consensus before actions are taken to disband a drafting team.</p> <p>3. Section 3.6: Drafting Teams The bullet points of items drafting teams should consider in the development of standards and requirements does not include Compliance Application Notices (CANs). Recommend these bulleted items include consideration of CANs in the development of new standards and requirements.</p>
<p>Response: The proposal is for Evidence Retention to be included as an element of the RSAW. Regarding Section 3.4, all aspects of the standards process, including this one, are subject to appeal if an entity believes the process has not been followed appropriately. The appeals process already included in the SPM allows for a second level of appeal to be addressed by the NERC Board of Trustees.</p>		
<p>Illinois Municipal Electric Agency</p>		<p>A factor in timely adoption of better reliability standards that doesn't seem to get mentioned very often is the amount of time to achieve regulatory approval. It is my understanding that FERC staff is now more involved in the actual STD standards development process, and that is encouraging. FERC should continue to be encouraged to not duplicate what has been statutorily delegated to NERC once a proposed standard has been filed with FERC for approval. The self-regulatory process should be allowed to work. If a need is identified after a standard is approved, it can always be refined; i.e., give the standards product a chance to work. A reasonable time limit for regulatory approval action may be appropriate.</p> <p>Illinois Municipal Electric</p>

Organization	Yes or No	Question 6 Comment
		Agency (IMEA) also supports comments submitted by Florida Municipal Power Agency.
<p>Response: This is outside the control of NERC and the Standards Committee.</p>		
Hydro One		<p>a) The proposed SPM now contains provisions for the case when a ballot closes on a day which is a Saturday, Sunday or a federally-recognized United States holiday. We agree with the concept and believe it should be extended to all standards development activities, such as comment periods. Consideration must also be given to Canadian Holidays (national and those used in most Provinces).b) Section 16 is a new section giving the SC authority to “waiver” the process steps. More transparency is needed when a waiver is exercised and a justification process should be required.The concept of a waiver provision with appropriate controls/qualifications to ensure the provision must be used appropriately and with prudence. As drafted, it is too broad. The provision should require a clear demonstration of why the SPM process is inadequate in the circumstances where a waiver is permitted.Suggest the following edits to the first two bullet points following “limited to the following circumstances”:</p> <ul style="list-style-type: none"> o Where the standards team demonstrates that the SPM process will not allow the team to meet regulatory deadlines set by FERC; o Where the standards team demonstrates that the SPM process will not allow the team to meet deadlines imposed by the NERC Board of Trustees; or . . .c) A new paragraph in Section 4.18 proposes to give the SC additional authority to “withdraw” Standards, Interpretations, and Definitions for “good cause” once the Standards, Interpretations, or Definitions has already been approved by industry and the BOT. There appears to give NERC staff authority to discontinue to process Interpretations after the BB approves them. It states, “The NERC Reliability Standards andLegal staffs 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 staffs shall make a recommendation to the NERC Board of Trustees regarding adoption.”d) Standards Drafting Team Composition: We support the changes to Section 3.6 with regard to composition of drafting teams. However,

Organization	Yes or No	Question 6 Comment
		<p>we believe that the standards drafting teams need more defined leadership in order to operate effectively, especially if quality review will be an ongoing process. We recommends that this section be further revised to designate a project manager for each Standards Drafting Team with a defined role to: 1) ensure project deliverables and deadlines are met; 2) be responsible for oversight of the quality review process; 3) ensure the work of the team remains within the scope of the SAR. NPCC is not suggesting that a new position be created, but that a better-defined project manager function could be incorporated into either the role of the team chairperson or the team’s NERC facilitator. With the addition of more non-technical experts to drafting teams, the project manager role might be better served by a non-technical member of the team.</p>
<p>Response: The SPCS believes that the current time requirements associated with the individual steps within the standard development process are necessary to minimize the time required for the development of standards. Extending the ballot window from 10 calendar days to 10 working days would be counter to the SPIG recommendations which are calling for improvements to shorten the process, as would adding additional holidays to the calendar of days when a ballot or other action cannot close.</p> <p>The waiver provision was drafted by NERC Legal at the request of the Standards Committee leadership to address circumstances such as the failed PRC-005-2 recirculation ballot. It is not possible to identify in advance all of the circumstances nor what type of demonstration might be necessary; instead, the provision as drafted relies on a common-sense application and accountability to the NERC Board of Trustees as a means to appropriately limit its application. In all circumstances, if an entity feels that the process has been waived inappropriately, they may appeal the decision.</p> <p>The new paragraph in Section 4.18 provides necessary flexibility to address events that cannot always be anticipated. For example, an urgent action project to develop a revision to BAL-004-0 to address Time Error Correction was recently determined not to be necessary for reliability and was withdrawn. This allows the SC to make prudent decisions. The express statement that NERC staff will make a recommendation to the Board of Trustees regarding adoption of interpretations is simply giving interpretations commensurate treatment with standards and codifying the process that is already followed. It is NERC staff’s responsibility to make these recommendations.</p> <p>Regarding drafting team composition, Section 4.3 of the proposed revisions to the SPM addresses the addition of a project management function and other non-technical support to aid the drafting team in timely completion of its work.</p>		

Organization	Yes or No	Question 6 Comment
<p>American Transmission Company</p>		<p>A. ATC does not agree that Section 16.0, Waiver is needed and should be eliminated. It was not included as one of the SPIG Report recommendations.</p> <p>The waiver provision was drafted by NERC Legal at the request of the Standards Committee leadership to address circumstances such as the failed PRC-005-2 recirculation ballot. It is not possible to identify in advance all of the circumstances nor what type of demonstration might be necessary; instead, the provision as drafted relies on a common-sense application and accountability to the NERC Board of Trustees as a means to appropriately limit its application. In all circumstances, if an entity feels that the process has been waived inappropriately, they may appeal the decision.</p> <p>B. ATC is seeking clarification why the NERC Reliability Standards and Legal staff are reviewing the Request for Interpretation twice in Section 7.0 to determine whether it meets the requirements of as valid interpretation. It is done early in the request (3rd para.) and again near the end of Section 7.0 (2nd to last para.) of the redline copy. Please clarify. The early review is to determine whether the request qualifies as a valid request for interpretation; the latter review is of the interpretation itself, and is done by comparison with established criteria that an interpretation must meet.</p> <p>Also in Section 7.0, the redline eliminated all reference to “Quality Reviews” of Interpretation Requests including the footnote. ATC believes this must be included just as when drafting new or revised Standards. C. Section 10 Processes for Developing a Reliability Standard to a Confidential Issue (or Responsive to Non-Imminent Confidential Issue - Section 10.8) should both include “Quality Reviews” as part of the process, while abiding to the strict nature of confidentiality. All QRs are to be performed in parallel with the language development activities of the SDT and are to begin early in the process so that they don’t have to be conducted at the end as a separate activity.</p> <p>D. General Comment: The SPM had several flowcharts, etc. that do not have labeling or reference to Figure numbers. ATC recommends that the SDT review the</p>

Organization	Yes or No	Question 6 Comment
		<p>flowcharts, etc. to make sure they are labeled properly.</p> <p>All charts will be finalized and labeled when the final process revisions have been approved.</p> <p>E. Section 13.0 Process for Conducting Periodic Reviews of Reliability Standards. ATC proposes there be a provision in this periodic review cycle that allows NERC to restart the five (5) or ten (10) year clock once the Standard has gone through a new version, since it was revised within the basic 5 or 10 year period. This would eliminate extra reviews of the Standard since the Standard was already reviewed as part of a previous Standards Development project.</p> <p>This is the intent, but further to this point, the revised SPM relieves NERC of the obligation to perform a ten-year review of a standard unless it has been filed with ANSI as an American National Standard. To date, NERC has not filed any of its standards as American National Standards.</p> <p>F. Possible clarification needed: In Section 4.3, there is no “legal” representative called out as part of the Standards Drafting Team as recommended by SPIG Work Group. (Is this considered Regulatory?)</p> <p>Yes.</p> <p>G. Section 2.2 Reliability Principles are referenced in the SPM as the foundation of Reliability Standards; however, these have not been “formally” defined. ATC recommends that the SDT consider adding this term to the NERC Glossary of Terms.</p> <p>Under the SPM, adding this term to the NERC Glossary requires a standard development project be initiated, with comment and ballot as per the SPM.</p>
<p>Response: Thank you for your comments. See responses embedded above.</p>		
Public Service Enterprise Group		<p>a. In section 3.5, the term “RSAW” is first used in the SPM (other than in text boxes) and should instead be replaced by: Reliability Standard Audit Worksheet</p>

Organization	Yes or No	Question 6 Comment
		<p>("RSAW").</p> <p>The section has been revised.</p> <p>b. Section 4.5 has footnote 17 that states "The quality review will be conducted in accordance with the Standards Committee's approved procedure for conducting Quality Reviews." The footnote should provide a link to this procedure.</p> <p>Thank you for this suggestion. Once the procedure has been updated to reflect the process revisions, that might be an appropriate time to incorporate the link. Doing so now would be confusing because the current procedure is drafted to support the current SPM.</p> <p>c. Section 1.4 should have a new bullet added that's entitled "Communications Among RBB Members" that states "Registered Ballot Body members may use NERC e-mail "list serves" for their sector to exchange ideas and comments regarding a proposed standard at any time, including when the ballot window described in section 4.9 is open." This will encourage RBB discussion on issues impacting a standard.</p> <p>Thank you for the suggestion. Adopting this suggestion assumes that the only vehicle for such communications will be NERC listservs and it is inappropriate to tie the process to specific technologies.</p> <p>d. In Section 13, the term "American National Standards" should be defined.</p> <p>This is an ANSI term. We will consider adding a footnote to clarify the term if the process revisions are approved and go to a recirculation ballot.</p> <p>e. We strongly object to Section 16 - Waivers. We have several concerns:</p> <ul style="list-style-type: none"> i. The objective of the SPM is to produce quality standards, and if any of the processes are waived, the result will be rushed and lower quality standards. The ability for the Standards Committee to waive, for good cause, "any of the provisions contained in this manual" is too broad and unconstrained. From a

Organization	Yes or No	Question 6 Comment
		<p>stakeholder perspective, Section 16 completely eviscerates the other changes to the SPM and undermines stakeholder trust in the process.</p> <p>ii. For regulatory imposed deadlines, procedures and processes are in place in the ROP (Section 309.3) and the current SPM (expedited standards development process). Yet this expedited process section has been stricken in the proposed SPM changes. This deletion would be inconsistent with Section 309.3 which specifically references it. The expedited standards development process should be retained. If it does not adequately address the first two bullets in Section 16, then modifications to the expedited process should be proposed.</p> <p>iii. 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 changed 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.</p> <p>The waiver provision was drafted by NERC Legal at the request of the Standards Committee leadership to address circumstances such as the failed PRC-005-2 recirculation ballot. It is not possible to identify in advance all of the circumstances nor what type of demonstration might be necessary; instead, the provision as drafted relies on a common-sense application and accountability to the NERC Board of Trustees as a means to appropriately limit its application. In all circumstances, if an entity feels that the process has been waived inappropriately, they may appeal the decision.</p> <p>f. We suggest balloting all SARs, either through the RISC or the appropriate technical committee (OC, PC, or CIPC), to verify the initial need for a standard change. These are all stakeholder bodies with technical expertise. This process would ensure that reliability standards have passed a “reliability need” review before being processed by</p>

Organization	Yes or No	Question 6 Comment
		<p>the SC. The threshold for approval could be lower than the typical 2/3 approval (e.g., it could be a simple majority) to ensure that more SARs proceed to the SC for processing.</p> <p>This suggestion can more appropriately be addressed once the RISC is fully functioning.</p>
<p>Response: Thank you for your comments. See responses embedded above.</p>		
<p>Bonneville Power Administration</p>		<p>BPA has conducted a thorough review of all documents, during the review we have captured several questions and have made note of potential un-intended omissions or typos. Please review the following questions, comments or concerns.</p> <p>Regarding page 18 section 4.1, 2nd paragraph of the redlined Standards Process Manual: BPA believes the word “and” needs to be inserted between NERC Reliability Standard and Standards Committee. <i>We believe this has been addressed – we were unable to locate an error.</i></p> <p>Regarding page 19, third bullet of the redlined Standards Process Manual: BPA was under the impression that the industry could appeal if the SAR was rejected. Where is the appeals process addressed? <i>There is a single appeals process for any appeal of a process matter, including the handling of a SAR. One of the revisions that was made in the first posting was to streamline sections by moving all references of appeal to Section 8, which describes the appeal process.</i></p> <p>BPA appreciates the change made in section 4.9 of the redlined Standards Process Manual allowing the ballot to remain open until the next business day if the original closing date falls on a Saturday, Sunday or federal holiday.</p> <p><i>Thank you for your support.</i></p> <p>Regarding section 4.10 of the redlined version of the Standards Process Manual: BPA seeks clarification as to why abstain votes are no longer considered as part of the quorum. If they are not counted, what is the purpose of an abstain vote? <i>The method for determining quorum has been corrected to include abstentions as the current SPM does.</i></p>

Organization	Yes or No	Question 6 Comment
		<p>Regarding Section 4.12 p. 28 of the redlined version of the Standards Process Manual: BPA seeks clarification regarding only responding to comments prior to the final ballot. BPA believes it would be more productive to be responding earlier in the process.</p> <p>The SPM drafting team points out that a draft standard will be improved incrementally as informal input is gathered and it is expected that the draft that will be posted for the formal posting and commenting/ballot will be a more robust draft that will reflect the input that has been obtained from the industry through the multiple informal forums. This is a significant change from the current practice of incremental improvement by successive formal comment periods and ballots and is intended to make more efficient use of drafting team and industry time and resources.</p> <p>Sections 4.12 and 4.13 have been revised to clarify the requirements to consider and respond to all written comments. The proposed new Sections 4.12 and 4.13 are as follows:</p> <p style="padding-left: 40px;">4.12 Consideration of Comments</p> <p style="padding-left: 40px;">If a stakeholder or balloter proposes a significant revision to a Reliability Standard during the formal comment period or concurrent Ballot that will improve the quality, clarity, or enforceability of that Reliability Standard, then the drafting team may choose to make such revisions and post the revised Reliability Standard for another 45 calendar day public comment period and ballot. Prior to posting the revised Reliability Standard for an additional comment period, the drafting team must communicate this decision to stakeholders. This communication is intended to inform stakeholders that the drafting team has identified that significant revisions to the Reliability Standard are necessary and should note that the drafting team is not required to respond in writing to comments from the previous ballot. The drafting team will respond to comments received in the last Additional Ballot prior to conducting a Final Ballot.</p> <p style="padding-left: 40px;">There is no formal comment period concurrent with the Final Ballot and no</p>

Organization	Yes or No	Question 6 Comment
		<p>obligation for the drafting team to respond to any comments submitted during the Final Ballot.</p> <p>4.13 Additional Ballots</p> <p>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> <p>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.</p> <p>Regarding Section 7.0, page 37 of the redlined version of the Standards Process Manual: BPA seeks clarification on whether or not an Interpretation can be provided for BOT approved standards that are not yet FERC approved. The section indicates that a request can be made for any standard that has been adopted by the NERC Board of Trustee’s. The example given only references the current effective version and a version with a future effective date.</p> <p>Yes, an interpretation can be requested of any standard approved by the Board, regardless of its approval status at FERC, because standards may have different effective dates in Canadian provinces. The language in the SPM should work in either case.</p> <p>Regarding page 39 of the relined version of the Standards Process Manual: The second to the last paragraph appears to be out of order and should be moved to be the second sentence of the next paragraph. Suggesting “If approved by its ballot pool, the Interpretation shall be forwarded to the NERC Board of Trustee’s for adoption. The NERC Reliability Standards and Legal staffs shall review the final Interpretation to determine whether it has met the requirements for valid interpretation. Based on this review, the NERC standards and legal staffs shall make a</p>

Organization	Yes or No	Question 6 Comment
		<p>recommendation to the NERC Board of Trustee’s regarding adoption.” Is the intent to have legal review prior to it being approved by the ballot pool or after? The legal review upon which the NERC staff recommendation to the Board would be based is conducted after the standard is approved by the ballot pool. This language reflects the current practice and was added to clarify that this is the practice. While we understand the suggestion to move the sentence, we believe it is also acceptable in the current location, and in the interest of focusing on the larger issues, have not moved it.</p> <p>P. 41 of the relined version of the Standards Process Manual: Conduct quality review/collect informal feedback - these steps do not appear to be referenced in the narrative section. BPA is in support of the standards being reviewed every 10 years.</p> <p>Thank you for your support.</p> <p>Regarding page 69, Section 16 “Waiver” of the relined version of the Standards Process Manual: BPA has concerns about Section 16, BPA understands the need to have the flexibility of a waiver. The waiver seems to be misunderstood. BPA is concerned that the waiver does not have a sunset period. BPA believes the waiver process should be used on an interim basis as temporary solution, and that NERC should start the NERC Standards Development process in parallel. BPA strongly believes that industry involvement creates the most efficient, effective and reliable standard. The waiver provision is not intended to limit industry involvement. NERC Legal does not believe a blanket sunset provision is necessary, because as drafted, each waiver of a process requirement would need to be reported to the NERC Board of Trustees, who could then determine on a case-by-case basis and in full consideration of the facts surrounding a particular use of a waiver, the best course of action. The waiver does not create an ongoing opportunity to waive the process for the entire development of a standard; instead, it provides flexibility to waive individual elements of the process when it is appropriate to do so for a limited set of circumstances.</p> <p>Regarding ‘Cyber Security’ Sanctions Table in the White Paper: The performance</p>

Organization	Yes or No	Question 6 Comment
		<p>based level two appears to have a typo. BPA believes this should be 7500 to 300000 ... not 75000 to 300000.</p> <p>Based on the majority of the comments received, the SCPS has re-examined the proposed revisions that would eliminate VRFs and VSLs and replace them with a “Sanction Table Reference” for each requirement, 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>Response: Thank you for your comments. Please see responses embedded above.</p>		
Consumers Energy		<p>Consumers Energy disagrees with the indication in the manual that, “The number of votes cast is the sum of affirmative and negative votes with related comments or stated objections, excluding abstentions, non-responses, negative votes without comments, and negative votes with unrelated comments.” We believe that negative votes should count regardless of whether comments are submitted or not. This is especially important in light of the fact that currently, there is no allowance for submitting comments directly with the ballot. Without the ability to match comments to ballots, a number of negative ballots could be disregarded when determining whether a project has passed or not. Additionally, we are concerned that even if comments were submitted, they may be disregarded as unrelated. We would question who makes this determination and how industry could be assured that the ballots they cast are properly included.</p>
<p>Response: The revisions associated with the ‘No vote’ issue are in response to SPIG recommendations 1 & 5. It is the SCPS’s intent to enhance the information provided to the Standard Drafting Teams (“SDT”) with helpful and constructive input to allow the team to efficiently revise a standard during its development to meet industry concerns. In order to accomplish this, stakeholders need to be fully engaged early in the process and need to provide meaningful comments that are helpful and constructive, which will assist the SDT in developing revisions that are responsive to the concerns of the industry and establish an adequate level reliability. It has been demonstrated in the past that early engagement of stakeholders in the process produces higher quality standards in a shorter amount</p>		

Organization	Yes or No	Question 6 Comment
<p>of time.</p> <p>Based on the comments received, the SCPS has re-examined this issue and determined that the approach for evaluating the relevance of comments requires additional clarification and 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. The SCPS believes stakeholders that vote ‘No’ without comment are not providing enough information to assist the SDT in revising the standard to reach consensus. This leads to inefficiency and prolongs the standards development process because the SDT is guessing at what the industry concerns are.</p> <p>With respect to NERC’s balloting software - ultimately, NERC has a responsibility to provide tools to support whatever process is developed, and NERC staff will be prepared via software or manual methods if necessary, to ensure that balloters will be able to submit comments at each stage of the balloting process including initial, additional and final ballot, including an option to indicate support for another entity’s comments without the need to submit full responses to every question.</p>		
Duke Energy		<p>Duke Energy also supports the addition of various resources (technical writers, legal and compliance experts) to the Standard Drafting Teams with authority over the technical content remaining with the industry technical experts. Changes to facilitate performance of quality reviews concurrent with the standard development will hopefully result in more well written standards in a more timely manner.</p>
<p>Response: Thank you for your comments and support.</p>		
FirstEnergy Corp		<p>FE has the following additional comments:</p> <ol style="list-style-type: none"> 1. Section 1.4 - FE is curious about the reasons for the new section on Metric Policy? Does this mean there will be duplicate versions for U.S. and Canada/Mexico? <p>The metric policy was added to the “Essential Attributes of NERC’s Reliability Standards Processes to clarify the policy and make explicit the need to utilize measurements in standards that work in the context of an international ERO. The metric policy is intended to avoid having to develop multiple versions for the US, Canada, and Mexico.</p>

Organization	Yes or No	Question 6 Comment
		<p>2. Section 3.4 - FE supports the additional authority given to the SC to disband drafting teams for not producing results. This will help give the SC greater ability to facilitate the development of standards.</p> <p>Thank you for your support.</p> <p>3. Section 3.7 - FE suggest the revisions consider adding a reference to Mexico.</p> <p>NERC Legal will consider making this change when specific agreements are in place with Mexican authorities.</p> <p>4. Section 3.8 - In the new sentence "The Standards Committee may request that a NERC technical committee or other group prepare a Technical document to support development of a proposed Reliability Standard." It appears the word "technical" should not be capitalized. Thank you for identifying this typo. It will be corrected as a non-substantive change, along with other minor changes that have been identified by commenters, prior to recirculation ballot if the process revisions are approved by the ballot pool.</p> <p>5. Section 3.10 - This section does not seem to address the comment box that appears next to it. There is no text describing the development of the RSAWs in the actual manual text. The section should be re-written to include some of the thoughts from the comment box and better clarify how RSAWs are developed.</p> <p>Although the intent is to have drafting teams work collaboratively with ERO compliance staff to develop RSAWs, Compliance staff are ultimately responsible for RSAWs and the Standard Processes Manual is not the appropriate location for explaining the process for developing RSAWs. The Standards Committee has been working with ERO Compliance to develop a procedure that will provide details of the process. When this is available, it will be publicly posted on the NERC website.</p>
<p>Response: Thank you for your comments. Please see responses embedded above.</p>		

Organization	Yes or No	Question 6 Comment
Indiana Municipal Power Agency		Indiana Municipal Power Agency supports the comments submitted by Florida Municipal Power Agency.
<p>Response: See responses to comments from Florida Municipal Power Agency.</p>		
ISO New England Inc.		<p>Interpretations We have concerns with section 7.0. The section states an RFI should be rejected if (1) an issue can be addressed by an active standards development activity; (2) RFI request clarity on any items other than a Requirement; and (3) an RFI has already been addressed in the “record.” First, the BOT has clarified that a valid RFI need not be limited to the Requirements in a Standard and that a RFI can take into account other parts of the Standard as well as materials that were developed in support of a Standard (i.e. whitepaper, technical guidelines, Q&A, etc.). Second, waiting for a standards development activity to create the requested Interpretation may not be an option, many projects take a year or more and then have to be filed and acted upon by appropriate governmental authorities. In the meantime, lack of a RFI may result in inappropriate enforcement action due to EAs determining their own Interpretation. Finally, it appears that the (2) and (3) completely contradict one another.</p> <p>By its nature, an interpretation is inefficient in that it requires all of the same processing steps as revision of a standard, but does not “fix” the underlying standard. A requester does not have a responsibility to make efficient use of industry resources, but NERC staff and the Standards Committee do have this responsibility and without the ability to make decisions about how to efficiently address a request, will not be able to fulfill the responsibility. Each case needs to be evaluated with the particular facts surrounding the request, and the inclusion of this information in the SPM is intended to clarify for all stakeholders what is the current practice.</p> <p>Compliance Waivers There remains language allowing for “waivers” of enforceable requirements for field trial purposes. Since the enforceable requirements are essentially backed by law, perhaps NERC should request a policy statement from the</p>

Organization	Yes or No	Question 6 Comment
		<p>applicable governmental authorities that the authorities recognize NERC-approved waivers. This comment will be referred to the Compliance Monitoring and Enforcement program for consideration, but does not require a change to the SPM.</p> <p>Withdrawals Section 4.18 proposes to give the SC additional authority to “withdraw” Standards, Interpretations, and Definitions for “good cause” once the Standards, Interpretations, or Definitions has already been approved by industry and the BOT. We have concerns with the lack of definition on what constitutes “good cause” and the underlying need that drove this change. This is problematic, given that as a minimum, both the Industry and the Board have previously approved the action. If this section is retained, there needs to be some due process around the withdrawal of an industry and Board approved action. As a minimum, there should be advance notice and opportunity for comment, with the results of the comments provided to the BOT.</p> <p>Interpretations We suggest the new paragraph in the Interpretation Section (7.0) be removed as staff makes recommendations for any standards action and this need not be in the SPM: “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 Reliability Standards and Legal staffs shall make a recommendation to the NERC Board of Trustees regarding adoption.”</p> <p>We agree that NERC staff already make these recommendations as part of every standards action that is brought before the NERC Board, and inclusion of the language in the SPM is intended to clarify this.</p> <p>There needs to be some transparency with regard to rejected interpretation requests. There should be a public posting of rejected requests and the reasons for the rejection. This does not require an explicit change to the SPM, but your suggestion will be considered for future implementation.</p> <p>We disagree with the need for interpretation drafting teams to automatically create</p>

Organization	Yes or No	Question 6 Comment
		<p>SARs if they believe there is a reliability gap or if the drafting team says an interpretation can't be crafted. The industry should be asked if they agree with the drafting team's decision before any further effort is expended. The industry will have this opportunity when the SAR is posted for comment. This language is a direct implementation of the Board of Trustees' November 2009 guidance on interpretations.</p> <p>VariationsThe section on "variances" implies that a variance is needed for "a conflict with an approved tariff"; it is our understanding that where there is a conflict with existing tariffs or market rules, the tariffs take precedence.</p> <p>A variance is still required to make this explicit.</p> <p>Waived ActionsSection 16 will as a minimum, lead to a perception of abuse of the process. There needs to be transparency of each waived action. This would include public notice and an ongoing record of waived provisions. This will assist NERC and the industry in identifying underlying drivers that are causing delays and provide a safeguard to potential challenges on the legality of the standards. Introducing additional processing steps would defeat the intended purpose of having a waiver provision, which is to allow for the development of a standard to address a reliability need to take precedence over process requirements. Each waiver must be reported to the Board of Trustees, and the Board will have an opportunity to consider the facts surrounding each use of a waiver and direct that appropriate actions be taken. This sets a high bar that should discourage abuse of the waiver provision.</p>
<p>Response: Thank you for your comments. Please see responses embedded above.</p>		
MEAG Power		MEAG Power endorses and adopts the votes and comments as provided by AECL.
<p>Response: See response to comments submitted by AECL.</p>		
NextEra Energy Inc		NextEra submits the following comments for consideration:

Organization	Yes or No	Question 6 Comment
		<p>Sections 3.4 and 3.5 of the Standards Process Manual (SPM)The redlined SPM at page Section 3.4 reads in part:The Standards Committee may disband a drafting team if it determines (a) that the drafting team is not producing a standard in a timely manner; (b) the drafting team is not able to produce a standard that will achieve industry consensus; (c) the drafting team has not addressed the scope of the SAR; or (d) the drafting team has failed to fully address a regulatory directive or otherwise provided a responsive or equally efficient and effective alternative. NextEra suggests that the Standards Committee should have options other than disbanding the drafting team, such as adding members, in particular a facilitator and/or legal/technical writer. NextEra also believes that currently there are several structural issues that appear to cause drafting teams to be less than constructive at times, such as: (i) drafting teams insolate themselves or become reactive to such a degree that they are not responsive to stakeholder comments and (ii) drafting teams are not sufficiently coordinating with other drafting teams. The development of COM-002 and COM-003 appears are an example of a lack of coordination. To address these matters, NextEra suggests that Section 3.4 language above be revised to read: “The Standards Committee shall have the authority to at any time in the process: (a) to appoint a facilitator, legal or/and technical writer to a drafting team; (b) replace an ineffective facilitator, legal and/or technical writer; or (c) direct two or more drafting teams to consolidate efforts or coordinate with each other to reconcile any differences and produce consistent Reliability Standard requirements, white papers, etc. The Standards Committee shall also have the authority to disband a drafting team if it determines: (a) that the drafting team is not producing a standard in a timely manner; (b) the drafting team is not able to produce a standard that will achieve industry consensus; (c) the drafting team has not addressed the scope of the SAR or is producing work product outside the scope of the SAR; or (d) the drafting team has failed to satisfactorily or fully address a regulatory directive or otherwise provided a responsive or equally efficient and effective alternative.”</p> <p>The language you reference in section 3.4 was added to make explicit that the SC has the authority to disband drafting teams; there is no presumption that this is the only</p>

Organization	Yes or No	Question 6 Comment
		<p>option available to the SC under the circumstances that are mentioned. The Standards Committee already does add new members to drafting teams, including to supplement the skills of the existing team (including facilitation or technical writing skills) or to provide additional leadership. On the two projects you mentioned, COM-002 and COM-003, the two drafting teams in question held a joint meeting in late 2010 and reported to the SC on the outcomes of that meeting. In short, although these changes are not inconsistent with the overall direction of the SPIG recommendations, it is not clear that the suggested language changes would, alone, result in different outcomes. Therefore, in order to focus the changes for the second draft on the substantive changes in hopes of getting support for those, we have not made the suggested changes and hope that you will continue to evaluate whether the changes are needed.</p> <p>Consistent with the above language changes, NextEra suggests that “facilitators” be added to the language in Section 3.5 that lists the members of a drafting team (to complement the additions of compliance and legal personnel), so that each drafting team is required to have a skilled facilitator. NextEra believes that many of the current issues associated with drafting teams result from a lack of structure and facilitation. A skilled facilitator will be able to provide a structure and direct discussions so that progress and decisions can be made in a much shorter timeframe, while at the same time providing a forum for all voices to be heard, including stakeholders and those individuals working on quality reviews. Without the addition of facilitators, NextEra is concerned that many of the current issues that hinder effective drafting teams will continue. <i>We believe this is addressed in the last sentence of the first paragraph of Section 3.6, which reads: “The NERC Reliability Standards Staff shall provide, or solicit from the industry, essential support for each of the drafting teams in the form of technical writers, legal, compliance, and rigorous and highly trained facilitation support personnel.” (emphasis added)</i></p> <p>Section 7 of the SPMNextEra also believes that Section 7 on interpretations needs language that outlines what is a valid interpretation request. Currently the new language states what an interpretation is not. NextEra recommends that Section 7</p>

Organization	Yes or No	Question 6 Comment
		<p>include the following statements: A valid interpretation request is a request that seeks clarification or an interpretation of a word, term or sentence(s) of a Reliability Standard requirement. When drafting an interpretation, if the plain language meaning of the word, term or sentence is not clear, the interpretation team may review the record of the standard drafting team that drafted the Reliability Standard, including interviewing members of the standard drafting team to ascertain the intent of the word, term or sentence(s) at issue. Thank you for this excellent suggestion. We believe this language is appropriate for inclusion in the Interpretation Drafting Team guideline, which will be revised for consideration by the Standards Committee Process Subcommittee and subsequent approval by the Standards Committee.</p> <p>The three new Sanction TablesNextEra believes that each of the new Sanction Tables need refinement. First, NextEra believes that level one for each table should start with a zero fine, not \$3,000, \$2,000 and \$1,000 as currently written. NextEra is concerned that without the discretion to implement a zero fine for level 1 that it unduly constricts the discretion of NERC and the Regional Entities to impose zero fines, including fines under the Find, Fix, Track and Report mechanism. Also, NextEra is recommending that each of the levels be re-worded as follows so to consider multiple scenarios: The Operations Sanction Table (OST)Level 1 - a violation did not and would not be expected to adversely impact electrical state or capability of the BES or the ability to monitor or control the BES.Level 2 - a violation did not, but could have directly and adversely impact electrical state or capability of the BES or ability to monitor or control the BES, and the violations did not, but could have in an unlikely situation contributed to BES instability, separation, or a cascading sequence of failures.Level 3 - a violation did not, but under likely circumstances could have contributed to impeding restoration, damaging equipment or non-consequential load loss or could contribute to BES instability, separation, or a cascading sequence of failures.Level 4 - a violation did or could have very likely directly caused BES instability, separation, or a cascading sequence of failures.</p> <p>The Cyber Security Sanctions TableLevel 1 - a violation could adversely impact Low Impact BES Cyber Systems; but did not or would not be expected to expose the</p>

Organization	Yes or No	Question 6 Comment
		<p>electrical state or the capability of the BES; or the ability to effectively monitor and control the BES. Level 2 - a violation could adversely impact Medium Impact BES Cyber Systems; a violation could adversely expose the electrical state or the capability of the BES; or the ability to effectively monitor and control the BES. A violation of the requirement is unlikely to and did not lead to BES instability, separation, or cascading failures. Level 3 - a violation could adversely impact High Impact BES Cyber Systems; a violation did or could have impeded restoration, damaged equipment or non-consequential load loss or could have contributed to BES to instability, separation, or a cascading sequence of failures. Level 4 - a violation did or could have directly exposed the BES to instability, separation, or a cascading sequence of failures.</p> <p>Planning Sanctions Table Level 1 - a violation did not and would not be expected to adversely affect the ability to assess the long-range reliability of the BES. Level 2 - a violation did not, but could directly and adversely affect the ability to assess the long-range reliability of the BES. Level 3 - a violation did or could contribute to development of a long-range plan that, if followed, could adversely affect the BES' ability to respond to contingencies. Level 4 - a violation did or could directly cause development of a long-range plan that, if followed, could adversely affect the BES' ability to respond to contingencies.</p> <p>Thank you for your thoughtful consideration of the proposed approach to replacing VRFs and VSLs with Sanction Table References. 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 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</p>

Organization	Yes or No	Question 6 Comment
		(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.
Response: Thank you for your comments. Please see responses embedded above.		
SPP Standards Review Group		No.
Trans Bay Cable LLC		None
National Rural Electric Cooperative Association (NRECA)		<p>NRECA has the following additional comments/questions that we request responses to before we can offer complete support for the draft SPM modifications:</p> <p>Has any analysis been completed to determine whether and to what extent these proposed SPM changes will actually shorten the time for developing a standard? Such analysis would be helpful in gaining a better understanding of the impact these proposed changes may have.</p> <p>Without implementing the changes, it is difficult to predict what the outcome of the changes will be.</p> <p>NRECA remains concerned about the lack of clarity related to the RISC proposal and its impact on the current and future role of the SC. Further clarity in this area is urgently needed so stakeholders can better understand the respective roles and responsibilities.</p> <p>The Charter for the Reliability Issues Steering Committee, (RISC), is not under the purview of the Standards Committee and is not part of the standard development process. The draft charter and initial slate for the RISC was approved by the NERC BOT in August and the SC looks forward to clarifying the relationship between the SC and RISC. The Standards Committee (SC) acknowledges that there will be a necessary interface coordination to be implemented in order to assure effective coordination</p>

Organization	Yes or No	Question 6 Comment
		<p>between the activities of the RISC and those of the SC.</p> <p>In the last paragraph of Section 2.5 of the proposed SPM under Application Guidelines, the relevant scope of a standard is stated to be informational only. NRECA believes this language is confusing and appears to state that the relevant scope of a standard is not part of the mandatory and enforceable component of a standard. The relevant scope of a standard should not be only an informational component of the standard. NRECA requests that this language be clarified such that the relevant scope of the standard is not something NERC can appear to be able to change as needed due to its informational-only status. The relevant scope of a standard should only be changed through the use of the standard development process.</p> <p>There is no specific “relevant scope” element of a standard. The scope a standard is determined by the Requirements and Applicability, which are developed as part of the standard development process.</p> <p>NRECA strongly disagrees that Section 3.4, items b and d are not appropriate reasons for the SC to disband a SDT. There may be many reasons why a SDT may not be able to achieve industry consensus or fully address a regulatory directive. We request that items b and d be deleted.</p> <p>Under the current SPM as well as the proposed revisions, Drafting teams report to the Standards Committee and are accountable for producing quality results in a timely manner. The Standards Committee must have the authority to hold drafting teams accountable and take actions that may be necessary to ensure that the ERO can fulfill its obligation to produce standards that address reliability issues, including in response to regulatory directives. The items that you are requesting be deleted are aimed at ensuring that the SC has the tools to fulfill its responsibilities.</p> <p>In Section 4.1, 2nd bullet on what the SC can do with a SAR, NRECA requests that this be revised to require the SC to provide an explanation of why the SAR is being remanded. In addition, in the 3rd bullet it is unclear what is meant by “good cause?”</p>

Organization	Yes or No	Question 6 Comment
		<p>Without further support, it appears the SC can reject a SAR for any reason as long as it provides a written response. NRECA believes this is too broad and that further context is required on the term “good cause.”</p> <p>The Standards Committee is responsible for taking into consideration the impact on industry resources and needs to have the authority to take actions that are in the best interest of those resources while ensuring that the standards process produces quality standards that address reliability needs in a timely manner. In remanding a SAR for further work, it is anticipated that the Standards Committee would naturally discuss its reasoning and it is not necessary to place a requirement in the SPM to do so. With respect to reasons for rejecting a SAR, is impossible to anticipate and provide an exhaustive list of the possible reasons for rejecting a SAR. If an entity believes the SC has acted inappropriately, they may appeal the action.</p> <p>In Section 4.6 it is unclear to NRECA how QR will be done in parallel with standard development. Please provide additional direction in the SPM on how this is to be accomplished during standard development.</p> <p>Details about how QR is done are not included in the current SPM, and it is not appropriate to provide that level of detail in the proposed revisions. The details of how QR is conducted will change as experience is gained. In general, the concept of doing a QR in parallel with the development of a standard is to use the same principles that quality review volunteers now review for (as outlined in Background Information for Quality Reviewers), but have the trained legal and compliance volunteers work directly with the drafting team during the drafting of the Requirements and other elements of the standard.</p> <p>Also in Section 4.6, what is “criteria specified” and “specified criteria” referring to? The SPM does not clearly point to such criteria. Please see the document that is referenced (Ten Benchmarks of an Excellent Reliability Standard), posted at http://www.nerc.com/files/10_Benchmarks_of_Excellent_Reliability_Standards.pdf</p> <p>In Section 4.18 NERCA has a similar concern about what “good cause” means in this</p>

Organization	Yes or No	Question 6 Comment
		<p>context. Please provide further SPM language to better quantify this language. Currently it may be overly broad. Please see response above concerning the use of “good cause.”</p> <p>In Section 4.19 NRECA believes this section should also reference the retirement of only a requirement, not only the entire standard. This section is intended to reference the retirement of an entire standard. Retirement of an individual Requirement is done through a revision of the standard, following the standard development process.</p> <p>In Section 7.0, item (2), NRECA does not understand why an interpretation can’t be done for this reason. Please delete or provide further information to support his change. Also, in item (3), shouldn’t this actually say that the interpretation work would be done by the active SDT, not that the RFI would be rejected?Also in Section 7.0, last two paragraphs of this section are confusing. It is not clear how the NERC reliability and legal staff review and the ballot results are coordinated in the process. Please clarify the roles of the staff review and the ballot results so that the SPM is clear on the respective roles.</p> <p>The reasons for rejecting an interpretation request are not limited to cases where an interpretation could not be developed; in some cases, the reason for rejecting the interpretation request is intended to provide the Standards Committee and NERC staff the ability to make responsible use of industry resources. In both item 2 and item 3, this is the case. Item 3 anticipates the case where a standard is being revised by an active team, and while the drafting team is working a Request for Interpretation of the prior version is submitted. In this case, it may be more efficient, depending on the status of the active project, to reject the interpretation request and direct the active team to address the issue in the revised version.</p> <p>The language that has been added about staff review at two different points (first of of the request, to ensure that it is a valid request, and second, of the interpretation that is approved by its ballot pool) have been included to make clear the process that is currently followed. NERC staff have an obligation to provide a recommendation to</p>

Organization	Yes or No	Question 6 Comment
		<p>the Board of Trustees on every standard action that is presented to the Board, including interpretations.</p> <p>NRECA is concerned by the deletion of the expedited process from the SPM. Please provide an explanation of why this helpful provision is being proposed for deletion.</p> <p>The addition of Section 16, the waiver provision, makes the expedited process unnecessary, since a standard can be expedited by exercising a waiver, which would then be reported to the Board.</p> <p>In Section 10.8 how and when will the pre-defined SMEs be determined?</p> <p>The NERC Critical Infrastructure Department maintains contact information for SMEs.</p> <p>NRECA does not support the addition of Section 16.0 to the SPM. We believe such authority is overly broad and we are not aware of any demonstration of need for such a broad waiver authority of any provision of the SPM. NRECA is also concerned that use of this waiver provision would appear to eliminate the need for the SC to report SPM violations to the CCC. While reporting use of the waiver provision to the BOT is helpful, the elimination of the checks and balances of having the CCC review such actions is troubling.</p> <p>Thank you for your comments.</p>
<p>Response:</p> <p>The Charter for the Reliability Issues Steering Committee, (RISC), is not under the purview of the Standards Committee and is not part of the standard development process. The draft charter and initial slate for the RISC was approved by the NERC BOT in August and the SC looks forward to clarifying the relationship between the SC and RISC. The Standards Committee (SC) acknowledges that there will be a necessary interface coordination to be implemented in order to assure effective coordination between the activities of the RISC and those of the SC.</p>		
<p>Northeast Power Coordinating Council</p>		<p>One item not included but needing further discussion is the comment forms being provided to the industry on all NERC activities. All the comments forms seem to be stated as “we made this change. Do you agree with this change?” An opportunity</p>

Organization	Yes or No	Question 6 Comment
		<p>forback-and-forth is not being provided to the industry with these types of comment forms. Who or what “body” should be approached with this issue. There should be more opportunities for open discussion with industry through the proper construction of questions on the comment forms.</p> <p>Thank you for your comments. If you have suggestions for constructing better questions on comment forms, please submit them to the NERC Director of Standards Development.</p> <p>Following are additional comments:</p> <p>1. Section 16 is a new section giving the SC authority to “waiver” the process steps. I do not support giving the SC this authority, thereby removing the requirement to report deviations of the process. I believe the SC already takes an exceptional amount of liberty with their “authority”. More transparency is needed when a waiver is exercised and a justification process should be required. The concept of a waiver provision with appropriate controls/qualifications to ensure the provision must be used appropriately. The proposed Waiver provision, as drafted, is too broad. The provision should require a clear demonstration of why the SPM process is inadequate in the circumstances where a waiver is permitted. Suggest the following edits to the first two bullet points following “limited to the following circumstances”:</p> <ul style="list-style-type: none"> Where the standards team demonstrates that the SPM process will not allow the team to meet regulatory deadlines set by FERC; Where the standards team demonstrates that the SPM process will not allow the team to meet deadlines imposed by the NERC Board of Trustees; or . . . <p>The idea of the waiver provision is to allow the standards process to be responsive to reliability needs by producing a quality standard in a timely manner. Adding additional process requirements is counter to this objective. As drafted, the waiver must be reported to the Board of Trustees, who will then be able to direct other actions as appropriate to the facts surrounding the particular waiver.</p> <p>2. The section on “variances” implies that a variance is needed for “a conflict with an</p>

Organization	Yes or No	Question 6 Comment
		<p>approved tariff". Are Standards allowed to be developed under such scenarios?</p> <p>A standard may apply continent-wide, but in some instances conflict with a particular tariff. In this situation, a variance is appropriate.</p> <p>3. NERC and the SC had taken the position that the BOT action had limited interpretations to the Requirements. However, upon further inquiry regarding the Level 1 appeal for the NWPP FRI on BAL-002, the BOT instructed that their action had been too strictly interpreted and that their action did not limit things contained within the "four corners" of the Standard. However, even after this clarification, as I look through the SPM changes, there continues to be this egregious attempt to limit the Industry's ability to request an appropriate Interpretation and, therefore, stave off inappropriate enforcement. The specifics of this are in the Interpretation section, the SPM indicates that an RFI should be rejected if (1) an issue can be addressed by an active standards development activity; (2) RFI request clarity on any items other than a Requirement; and (3) an RFI has already been addressed in the "record." I am not supportive of these and actually believe that (2) and (3) completely contradict one another.</p> <p>The reasons for rejecting an interpretation request are not limited to cases where an interpretation could not be developed; and do not say a request <i>should</i> be rejected, but rather that it <i>may</i> be rejected. In some cases, the reason for rejecting the interpretation request is intended to provide the Standards Committee and NERC staff the ability to make responsible use of industry resources. In the case where a standard is being revised by an active team, and while that drafting team is working a Request for Interpretation of the prior version of the standard is submitted. In this case, it may be more efficient, depending on the status of the active project, to reject the interpretation request and direct the active team to address the issue in the revised version.</p> <p>The comment acknowledges that interpretations are sometimes requested to "stave off inappropriate enforcement." There are other vehicles for addressing this concern, and given the industry resources that are involved in drafting, balloting, and</p>

Organization	Yes or No	Question 6 Comment
		<p>commenting on each standard action, including interpretations, it is incumbent on NERC and the Standards Committee to ensure that those resources are not being used inappropriately.</p> <p>4. There remains language allowing for “waivers” of enforceable requirements for field trial purposes. Since the enforceable requirements are essentially backed bylaw, I question the SC and BOT authority to enact such “waivers.”</p> <p>Thank you. This language has not been changed from the current, FERC-approved SPM.</p> <p>5. Section 4.18 proposes to give the SC additional authority to “withdraw” Standards, Interpretations, Definitions for “good cause” once the Standards, Interpretations, or Definitions has already been approved by industry and the BOT. See item 1 above.</p> <p>It is impossible to anticipate when a previously-approved standard action may be overtaken by other events and no longer be required. This is not intended to undermine the industry’s approval but rather to provide a reasonable way to manage the body of standards products.</p> <p>6. Clarification is needed for quorum and approval calculations with examples given. The quorum calculation has been revised from the last draft to reflect the same approach to calculating a quorum as is used in the current SPM. A spreadsheet with approval calculation examples will be prepared and posted prior to the ballot of the SPM revisions.</p> <p>7. Balloting: the Ballot Body has 10 CALENDAR days to vote; however, if a balloter votes NO without providing appropriate comments they will be contacted to enable them to provide appropriate comments for their NO vote to count and they will have 10 BUSINESS days. I think both should be business days. The intent of the</p>

Organization	Yes or No	Question 6 Comment
		<p>process revisions is to make the process more efficient, and adding additional days to the timeline by changing calendar days to business days is not consistent with this intent. When a standard is balloted, it has already been posted for 35 days prior to the ballot window and the act of balloting takes only a few minutes at most. It seems reasonable to assume that an individual who joins a ballot pool can either find those few minutes within a window of ten calendar days, or find time in the preceding 35 days to assign a proxy..</p> <p>8. The process of opening a solicitation every year seeking ideas for new StandardsDevelopment proposals should cease. We are already inundated withStandards Development activities and anyone can submit a SAR at any time.</p> <p>Thank you for this comment.</p> <p>9. There is a new paragraph added to the Interpretation Section (7.0), thatappears to give NERC staff authority to continue to not process Interpretationsafter the BB approves them. It states, “The NERC Reliability Standards andLegal staffs shall review the final Interpretation to determine whether it has metthe requirements for a “valid” Interpretation. Based on this review, the NERCReliability Standards and Legal staffs shall make a recommendation to the NERC Board of Trustees regarding adoption.”</p> <p>The language that has been added about staff review at two different points (first of of the request, to ensure that it is a valid request, and second, of the interpretation that is approved by its ballot pool) have been included to make clear the process that is currently followed. NERC staff have an obligation to provide a recommendation to the Board of Trustees on every standard action that is presented to the Board, including interpretations.</p> <p>10. What Criteria constitutes a valid interpretation being used by NERC Standards and Legal Staff? NERC staff must abide by the criteria provided by the NERC Board of trustees at the November 2009 Board meeting. The Board resolution is available in</p>

Organization	Yes or No	Question 6 Comment
		<p>the minutes from that meeting.</p> <p>11. Standards Drafting Team Composition: NPCC supports the changes to Section 3.6 with regard to composition of drafting teams. However, NPCC believes that the standards drafting teams need more defined leadership in order to operate effectively, especially if quality review will be an ongoing process. NPCC recommends that this section be further revised to designate a project manager for each Standards Drafting Team with a defined role to: 1) ensure project deliverables and deadlines are met; 2) be responsible for oversight of the quality review process; 3) ensure the work of the team remains within the scope of the SAR. NPCC is not suggesting that a new position be created, but that a better-defined project manager function could be incorporated into either the role of the team chairperson or the team’s NERC facilitator. With the addition of more non-technical experts to drafting teams, the project manager role might be better served by a non-technical member of the team.</p> <p>Section 4.3 includes the following language: “The NERC Reliability Standards Staff shall provide one or more members as needed to support the team with facilitation, project management, regulatory and technical writing expertise and shall provide administrative support to the team, guiding the team through the steps in completing its project.” This is intended to address the issues you have identified.</p> <p>12. Ultimately an individual has the right to say a standard is not needed and that no amount of “tweaking” will make it acceptable. There has been no attempt to say otherwise.</p>
<p>Response: Thank you for your comments. Please see responses embedded above..</p>		
<p>IRC-SCR</p>		<p>Question 6 (Other Comments) Interpretations We have concerns with section 7.0 . The section states an RFI should be rejected if (1) an issue can be addressed by an active standards development activity; (2) RFI request clarity on any items other than a Requirement; and (3) an RFI has already been addressed in the “record.” First, the BOT has clarified that a valid RFI need not be limited to the Requirements in a</p>

Organization	Yes or No	Question 6 Comment
		<p>Standard and that a RFI can take into account other parts of the Standard as well as materials that were developed in support of a Standard (i.e. whitepaper, technical guidelines, Q&A, etc.). Second, waiting for a standards development activity to create the requested Interpretation may not be an option, many projects take a year or more and then have to be filed and acted upon by appropriate governmental authorities. In the meantime, lack of a RFI may result in inappropriate enforcement action due to EAs determining their own Interpretation. Finally, it appears that the (2) and (3) completely contradict one another. We suggest the new paragraph in the Interpretation Section (7.0) be removed as staff makes recommendations for any standards action and this need not be in the SPM: “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 Reliability Standards and Legal staffs shall make a recommendation to the NERC Board of Trustees regarding adoption.”</p> <p>By its nature, an interpretation is inefficient in that it requires all of the same processing steps as revision of a standard, but does not “fix” the underlying standard. A requester does not have a responsibility to make efficient use of industry resources, but NERC staff and the Standards Committee do have this responsibility and without the ability to make decisions about how to efficiently address a request, will not be able to fulfill the responsibility. Each case needs to be evaluated with the particular facts surrounding the request, and the inclusion of this information in the SPM is intended to clarify for all stakeholders what is the current practice.</p> <p>There needs to be some transparency with regard to rejected interpretation requests. There should be a public posting of rejected requests and the reasons for the rejection.</p> <p>NERC will consider implementing this suggestion in the future.</p> <p>We disagree with the need for interpretation drafting teams to automatically create SARs if they believe there is a reliability gap or if the drafting team says an interpretation can’t be crafted. The industry should be asked if they agree with the</p>

Organization	Yes or No	Question 6 Comment
		<p>drafting team’s decision before any further effort is expended.</p> <p>The industry will have this opportunity when the SAR is posted for comment.</p> <p>Compliance Waivers There remains language allowing for “waivers” of enforceable requirements for field trial purposes. Since the enforceable requirements are essentially backed by law, perhaps NERC should request a policy statement from the applicable governmental authorities that the authorities recognize NERC-approved waivers.</p> <p>This language is unchanged from the current SPM, which has been approved by FERC.</p> <p>Withdrawals Section 4.18 proposes to give the SC additional authority to “withdraw” Standards, Interpretations, and Definitions for “good cause” once the Standards, Interpretations, or Definitions has already been approved by industry and the BOT. We have concerns with the lack of definition on what constitutes “good cause” and the underlying need that drove this change. This is problematic, given that as a minimum, both the Industry and the Board have previously approved the action. If this section is retained, there needs to be some due process around the withdrawal of an industry and Board approved action. As a minimum, there should be advance notice and opportunity for comment, with the results of the comments provided to the BOT.</p> <p>It is impossible to anticipate when a previously-approved standard action may be overtaken by other events and no longer be required. This is not intended to undermine the industry’s approval but rather to provide a reasonable way to manage the body of standards products.</p> <p>Disbanding Drafting Teams Regarding section 3.4 (Standards Committee), there needs to be transparency and due process with regard to disbanding drafting teams. The drafting team should be able to make a written statement of the underlying causes of delay and present this to the SC before it is disbanded. With regard sub-bullet c under why a drafting team should be disbanded, a SAR only sets the maximum</p>

Organization	Yes or No	Question 6 Comment
		<p>bounds of a standard. The team need not address all aspects of a SAR if dictated by industry comments.</p> <p>There is no requirement that the SC disband a team; the section only provides the SC with the explicit authority to fulfill its obligations. Agree that a team need not address all aspects of a SAR; however, a determination must be made on a case-by-case basis whether the product produced by the drafting team fulfills the obligation of the team. For example, if the team has not addressed a regulatory directive assigned to the project or provided an “equally efficient and effective alternative,” the team has not fulfilled its obligations.</p> <p>VariancesThe section on “variances” implies that a variance is needed for “a conflict with an approved tariff”; it is our understanding that where there is a conflict with existing tariffs or market rules, the tariffs take precedence.</p> <p><i>In this case, a variance would be required.</i></p> <p>Waived ActionsSection 16 will as a minimum, lead to a perception of abuse of the process. There needs to be transparency of each waived action. This would include public notice and an ongoing record of waived provisions. This will assist NERC and the industry in identifying underlying drivers that are causing delays and provide a safeguard to potential challenges on the legality of the standards.</p> <p>The idea of the waiver provision is to allow the standards process to be responsive to reliability needs by producing a quality standard in a timely manner. Adding additional process requirements is counter to this objective. As drafted, the waiver must be reported to the Board of Trustees, who will then be able to direct other actions as appropriate to the facts surrounding the particular waiver. This creates some transparency, and if the Board directs staff to keep a record of all waived provisions, staff will do so.</p>
<p>Response: Thank you for your comments. Please see responses embedded above.</p>		

Organization	Yes or No	Question 6 Comment
Edison Electric Institute		<p>Regarding proposed Section 16, the waiver proposal:EEI believes that this is unnecessary. Successful 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.</p>
<p>Response: Thank you for your comments. The waiver provision was drafted by NERC Legal at the request of the Standards Committee leadership to address circumstances such as the failed PRC-005-2 recirculation ballot. The current set of process revisions to address the SPIG recommendations, by themselves, will not prevent a similar situation unless a waiver provision is included in the SPM. The waiver provision is not intended to be used for insubstantial matters; indeed, setting a high bar for exercising a waiver by requiring the waiver to be reported to the Board of Trustees directly is intended to preclude frivolous exercise of this provision.</p>		
ReliabilityFirst		<p>ReliabilityFirst questions the removal of Time Horizons from section 2.5 of the Standards Processes Manual (SPM). ReliabilityFirst requests the justification of the</p>

Organization	Yes or No	Question 6 Comment
		<p>removal of Time Horizons. RFC notes that Time Horizons are still referenced in the Standard Processes Manual Revisions: SCPS White Papers for Background Information. Page 14 explicitly states: "... the SDT would write the requirement and then would simply identify the appropriate Time Horizon and the requirement type and category..."</p>
<p>Response: Under the proposed revisions, Time Horizons would be incorporated into the RSAW. This is appropriate because a Time Horizon is intended as one piece of guidance that is used to evaluate the seriousness of a violation of a Requirement.</p>		
<p>Florida Municipal Power Agency</p>		<p>Section 1.3, the redline of the second sentence seems to try to parallel Section 215 language. If that is the intent, then "reliability planning" ought to be deleted. These words were included in the current version of the SPM – this language was not changed.</p> <p>Under Section 2.15, on the sentence that has NERC management presenting the standard to the Board, should that include a statement about presenting dissenting opinions to the Board? Section 3.5 contains the following sentence, which seems to address your concern: "When presenting Reliability Standards-related documents to the NERC Board of Trustees for adoption or approval, the NERC Reliability Standards Staff shall report the results of the associated stakeholder ballot, including identification of unresolved stakeholder objections and an assessment of the document's practicality and enforceability."</p> <p>Is Section 4.17 accurately stated in consideration of Rule 321 of the ROP? Yes, NERC Legal believes it is.</p> <p>Section 4.19, second paragraph is missing one reference to Variances. This has been corrected.</p> <p>Section 7.0 disallows an interpretation on other enforceable portions of a standard, e.g., the effective date, Glossary of Term definitions (e.g., if a Term in the Glossary is ambiguous). This is inappropriate. Interpretation requests should be allowed for any enforceable portion of a standard. If a definition is ambiguous, it needs to be revised</p>

Organization	Yes or No	Question 6 Comment
		through the standard development process. Definitions are not interpreted in the same manner as standards.
<p>Response: Thank you for your comments. Please see responses embedded above.</p>		
Manitoba Hydro		<p>Section 13.0 “Process for Conducting Periodic Reviews of Reliability Standards” - We disagree with the proposal to review standards every 10 years, from the previous five year requirement. Too much can change in ten years. It is just as important to review existing standards, to improve their quality and clarify, as it is to write new standards. A more regular standard review process would lead to a lower number of high-quality standards that are more beneficial to reliability. Section 16.0 “Waiver” - The ability to use a waiver is too broad. It states that a waiver can be used to address a time constrained regulatory directive, and most regulatory directives provide time constraints. A waiver should only be used for urgent reliability issues which pose a direct and significant risk to the Bulk Electric System, and not to fast-track directives.</p>
<p>Response:</p> <p>Thank you for your comments. All of the versions of the NERC standard process to date have had a 5-year review requirement, and the Standards Committee disagrees that the mere presence of a 5-year review requirement in the process will affect the number or quality of standards. As things change, other mechanism are in place to provide for a standard to be changed – any stakeholder can submit a Standard Authorization Request, a Suggestion form, or a request for interpretation (which may or may not lead directly to a revision of the standard, but could be used to apply an existing standard to a condition that was not anticipated when the standard was drafted).</p> <p>The Standards Committee understands your concerns about Section 16.0 but believes a waiver provision is essential to allow the flexibility in the process to ensure that we, as an industry can demonstrate the ability to act expeditiously when necessary for reliability. NERC’s ability to respond to regulatory directives in a timely manner is a component of demonstrating this.</p>		
Liberty Electric Power		Suggest modifying the criteria for passing a standard to consider a vote failed if less than 50% of a qualified segment casts affirmative ballots. This is especially important if the rules for counting negatives are going to change. As written, a segment could

Organization	Yes or No	Question 6 Comment
		reject a proposal unanimously but still see the measure pass if the remaining segments approve at a 75% rate.
<p>Response: Thank you for your comments. If NERC is to maintain ANSI accreditation of its standard development process, the formula used to calculate the weighted segment approval of a ballot must not allow any single segment to cause a ballot to fail. Adoption of your proposed criterion is counter to this ANSI principle.</p>		
SERC Planning Standards Subcommittee		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>Response: Thank you for your comments.</p>		
Independent Electricity System Operator		The IESO has had concerns about the lack of an expedited process to address emergency standard approvals needed under special circumstances when, for example a reliability standard or interpretation is causing unintended consequences that could threaten the reliability of the bulk power system. In our opinion, the industry should grant authority in these circumstances to the NERC Board to act as quickly as needed and with only the amount of industry consultation that urgency allows. In other words, give the ability to act on good judgment to the NERC Board that is elected by the industry. NERC Reliability Standards Development Procedure makes provisions for urgent and emergency actions to be used when “a delay in implementing a proposed standard or revision can materially impact the reliability or security of the bulk power systems or is inconsistent with statutory or regulatory requirements for reliability standards, such as by causing adverse impacts on markets or undue discrimination.” The IESO supports the Procedure by which the Standards Committee would have the accountability for determining if, in their judgment, an urgent action is necessary, but recommends that a distinction be made between “urgent” and “emergency” circumstances - with the NERC Board having the discretion to take emergency actions as discussed below. We believe that while this particular

Organization	Yes or No	Question 6 Comment
		<p>section of the NERC Reliability Standards Development Procedure proposes a single provision to cover urgent and emergency reliability standard revisions, clear distinction and separation 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. The current revisions to the Standard Processes Manual include the deletion of the “Expedited Standard Development Process” section and the introduction of a new section titled Section 16: Waiver. The revised version of Standard Processes Manual includes, in Section 16: Waiver, a course for the practical implementation of the urgent and emergency reliability standard revisions in a single process. As discussed above, the IESO believes that the proposed process should also establish an overriding authority on the part of the NERC Board to move immediately to address a reliability emergency. Accordingly, while we believe that the new section makes appropriate allowances for the Standards Committee to waive any of the provisions contained in the Standard Processes Manual for good cause and provide sufficient flexibility to the Standard Committee in administering the urgent standard development process, additional provisions are needed to implement the recommended authority under which the NERC Board would act to address emergency circumstances which present an immediate threat to reliability.</p>
<p>Response: Thank you for your comments. As you have accurately noted, the inclusion of Section 16.0, the proposed waiver provision of the SPM, negated the need for a separate “expedited” process. The Standards Committee believes that the NERC Board already has the authority to direct action to develop a standard in an emergency situation in which reliability is threatened, and therefore, a separate section of the SPM is not needed.</p>		
MRO NSRF		<p>The NSRF does not agree that Section 16.0, Waiver is needed and should be eliminated. It was not included as one of the SPIG Report recommendations.</p> <p>The waiver provision was added to provide flexibility that is lacking in the current</p>

Organization	Yes or No	Question 6 Comment
		<p>process to address unanticipated situations, and is arguably directly responsive to the overall efficiency goal of the SPIG recommendations. As proposed, all uses of a waiver would be reported to the NERC Board of Trustees, so the Standards Committee would not in any way have unilateral power but instead would be accountable to the Board for explaining its need to use a waiver. The Standards Committee understands your concerns about Section 16.0 but believes a waiver provision is essential to allow the flexibility in the process to ensure that we, as an industry, can demonstrate the ability to act expeditiously when necessary for reliability. NERC’s ability to respond to regulatory directives in a timely manner is a component of demonstrating this</p> <p>Clarification is requested as to why the NERC Reliability Standards and Legal staff are reviewing the Request for Interpretation twice in Section 7.0 to determine whether it meets therequirements of as valid interpretation. It is done early in the request (3rd paragraph) and again near the end of Section 7.0 (2nd to last paragraph) of the redline copy.</p> <p>Both of the reviews that are included in the proposed revisions are reviews that happen under the current process, so the proposed revisions that include these reviews are simply intended to clarify the process for all stakeholders. The first review is conducted on the request for interpretation before it is accepted for processing; the second review is a review of the interpretation once it has been drafted and prior to being submitted to the NERC Board of Trustees for adoption.</p> <p>Section 10.1: Processes for Developing Reliability Standards Responsive to Imminent, Confidential Issues should include “Quality Reviews” as part of the process, while abiding to the strict nature of confidentiality. To coincide with these additions, the associated Process Steps in Figure 3 should be updated to reflect when the Quality Reviews are conducted.</p> <p>It is likely that a standard developed in response to an imminent confidential issue</p>

Organization	Yes or No	Question 6 Comment
		<p>would be developed with legal and compliance staff working directly with the drafting team in order to facilitate an expedited regulatory filing. For this and other reasons considering the unusual nature of the circumstances under which the NERC Board might be expected to direct that the confidential process be used, quality review was not incorporated into Section 10.1.</p> <p>In Section 4.3, there is no “legal” representative called out as part of the Standards Drafting Team as recommended by SPIG Work Group. This section appears to address your concern:</p> <p>3.6: Drafting Teams The Standards Committee shall appoint industry experts to drafting teams to work with stakeholders in developing and refining Standard Authorization Requests (“SARs”), Reliability Standards, definitions, and Variances. The NERC Reliability Standards Staff shall appoint drafting teams that develop Interpretations. The NERC Reliability Standards Staff shall provide, or solicit from the industry, essential support for each of the drafting teams in the form of technical writers, legal, compliance, and rigorous and highly trained facilitation support personnel.</p> <p>Section 2.2: Reliability Principles are referenced in the SPM as the foundation of Reliability Standards; however, these have not been “formally” defined. It is recommended that this term be added to the NERC Glossary of Terms. This suggestion would require initiating a standards development project.</p> <p>Section 13.0: Process for Conducting Periodic Reviews of Reliability Standards The NSRF proposes there be a provision in this periodic review cycle that allows the restart of the five (5) or ten (10) year clock once the Standard has gone through a new version, since it was revised within the basic 5 or 10 year period. This would eliminate extra reviews of the Standard since the Standard was already reviewed as part of a previous Standards Development project.</p> <p>This is the intent.</p> <p>The SPM should include a section that encourages the integration of internal controls</p>

Organization	Yes or No	Question 6 Comment
		<p>process proposed by NERC staff into the standards development process. Explicit direction that deficiencies noted in a process control requirement that are corrected under the required process are not a violation should be included.</p> <p>This is getting too specific about the content of a standard and is not appropriate for inclusion in the SPM.</p> <p>If the sanctions table is retained in lieu of the VRFs and VSLs it is suggested that an “administrative” or low risk column should be added to the sanctions table to distinguish between direct and indirect electric grid impacts. Organizations need policies, procedures, and evidence to be effective, but the presence or absence of these policies, procedures, and documentation doesn’t directly impact the electrons flowing on the electric grid, nor does it mean that entities don’t implement preventative actions such as testing relays. Therefore, the NSRF suggests an “administrative” column be added to align with the MRO’s Performance and Risk Oversight Sub-committee Phase II efforts on developing internal controls and the classification of risk. Policies, procedures, and documentation play a role in being effective, but when categorizing direct BES risk of instability, uncontrolled separation and cascading, administrative issues (policies, procedures, and documentation) should be assigned to “low risk” and “administrative” category. Within the proposed Operations, Cyber Security and Planning “Sanctions Tables” there appears to be a typo in all of the Performance-based Level 2 violations. Rather than a monetary range of “\$75,000 - \$300,000” it seems like it should instead read as “\$7,500 - \$300,000”.</p> <p>Based on the majority of comments received, indicating the need to further refine the concepts, the SCPS has decided to retain VRFs and VSLs and has abandoned the idea of replacing them with Sanction Table References at this time.</p>
<p>Response: Thank you for your comments. Please see responses embedded within your comments above.</p>		
<p>PPL Corporation NERC Registered Affiliated</p>		<p>The PPL Companies appreciate the Standards Committee’s changes to address the SPIG Recommendations but have the following additional concerns about the change</p>

Organization	Yes or No	Question 6 Comment
		<p>in process. The PPL Companies are concerned with the addition of section 16 (waiver). Back-door powers can be abused, so normal processes should be adhered-to under all circumstances. The PPL Companies are also concerned that many parts of this proposal have already been used by NERC without modifying the process and getting FERC approval of new process. The discounting of negative votes is already apparent as is the disregard for providing specific responses to comments by replacing them with bundled generic responses that are not tied to a specific comment from a responsible entity. The elimination of the voting rights of stakeholders on VSL and VFR is also a modification that is replaced by a non-binding poll which gives NERC total freedom on that subject without a meaningful input from Stakeholders. The main goal of the proposed changes to the SPM is to make it faster - faster is not necessarily better. Quality products should be the goal - not just faster or a greater quantity of enforceable standards. The proposals to revise the SDP to reflect the minimum ANSI requirements seems inconsistent with NERC’s efforts in promoting “best practices” among its members.</p>
<p>Response: Thank you for your comments. The waiver provision was added to provide flexibility that is lacking in the current process to address unanticipated situations. As proposed, all uses of a waiver would be reported to the NERC Board of Trustees, so the Standards Committee would not in any way have unilateral power but instead would be accountable to the Board for explaining its need to use a waiver.</p> <p>Under the current SPM, all votes (negative, affirmative, and abstentions) must be counted. NERC has not, to date, made any changes to the formula by which votes are counted and is very concerned by the assertion that negative votes are already being “discounted.” With respect to bundling comments and providing generic responses, in the past six years the volume of comments to which drafting teams must respond has grown from 40-50 pages per posting to what is commonly two hundred pages and sometimes more, with many of the comments repeating common themes. While reviewing comments is essential to provide drafting teams with the information needed to determine how best to modify their work to reach consensus, the task of providing individualized responses to every comment has consumed an increasing amount of valuable drafting team time. Many of the proposed process changes (including the proposal to replace VSLs) are designed to free up industry resources from process tasks that do little to enhance the quality of standards or improve reliability.</p> <p>Under the current SPM, as well as the proposed draft, any stakeholder who feels that the process has not been followed may file an</p>		

Organization	Yes or No	Question 6 Comment
appeal.		
<p>Occidental Energy Ventures Corp. (OEVC) and Electricity Consumers Resource Council (ELCON) together called Industrial Consumers</p>		<p>These comments relate to proposed revisions that have NOT been made but should be made. Industrial Consumers are quite concerned about the working relationship between the SC and the RISC. Industrial Consumers have submitted formal comments on the RISC Mandate and incorporate those comments by reference into these comments. The proposed revisions, in a text box, states: “As this recommendation is piloted [Section 4.1 - Standard Authorization Request], it is possible that some changes to the SAT process will be recommended but at this time no changes are proposed to the current process for handling SARs.” Industrial Consumers agree that the RISC has not yet been formulated. However, Industrial Consumers believe that significant confusion, at best, may come from a process where some requests for NERC action on reliability issues and risks go through the RISC while others go directly to the SC. Industrial Consumers do not think that changes to the SPM should proceed unless and until this issue is resolved. We believe that this is a threshold issue. Specifically, Section #2 of the proposed RISC Mandate states: “The RISC is responsible for receiving reliability issues and risks from stakeholders, regulators, and the Board which meet the following criteria:” Industrial Consumers certainly agree with this statement - but it seems to bring some confusion. Specifically, some stakeholders feel that some SARs could (or should) be filed directly with the Standards Committee while other SARs, as well as other proposals for “reliability issues and risks,” would go through the RISC. Industrial Consumers do not think that such a dual path is either desirable or workable. To resolve this potential problem, Industrial Consumers thus propose adding the word “all” between “receiving” and “reliability” in the RISC Mandate. The statement would then read: “The RISC is responsible for receiving all reliability issues and risks from stakeholders...” (Emphasis should NOT be in the actual document) Alternatively, if the word “all” is not added, Industrial Consumers strongly recommend that the RISC Mandate and the Standards Process Manual be modified to (a) explicitly define and describe the criteria that will be used to differentiate between those filings that go through the RISC and those that are filed directly with the Standards Committee and</p>

Organization	Yes or No	Question 6 Comment
		<p>(b) make specific changes to the Standards Process (including changes to the Standards Process Manual) that would allow the Standards Committee flexibility to reject, or alternatively refer proposals, that are filed with the Standards Committee when, upon a determination by the SC, are not good or complete candidates for standards development. Since such changes have not been proposed, Industrial Consumers recommend that the proposed revisions to the SPM not proceed at this time.</p>
<p>Response: Thank you for your comments. The Charter for the Reliability Issues Steering Committee, (RISC), is not under the purview of the Standards Committee and is not part of the standard development process. The draft charter and initial slate for the RISC was approved by the NERC BOT in August and the SC looks forward to clarifying the relationship between the SC and RISC. The Standards Committee (SC) acknowledges that there will be a necessary interface coordination to be implemented in order to assure effective coordination between the activities of the RISC and those of the SC.</p> <p>However, the Standards Committee has been charged with developing a set of revisions to implement SPIG recommendations 1, 4, and 5 and bringing the proposed revisions to the NERC Board of Trustees for approval in November 2012. Given this charge, the Standards Committee believes that it is appropriate to move forward with a set of changes now to implement as many improvements as possible, recognizing that some aspects of the process may need to be adjusted as experience is gained with RISC and with the new process.</p>		
Ameren		<p>We believe that in several instances, details are lacking. Of a primary significance, we are not sure which proposed process changes would eliminate items which currently require a Stakeholder approval. We would like to have an opportunity to carefully review and assess all such items prior to signing off on the proposed SPM changes.</p>
<p>Response: Thank you for your comments. The Standards Committee maintains a number of procedures that support the Standard Processes Manual, and the processes in the SPM have deliberately been written at a high level to provide flexibility to adjust details as lessons are learned in implementing the new processes. The enforceable elements of a standard will continue to be balloted for stakeholder approval under the new processes. The only item which is balloted as part of the standard in the current process but which is proposed to be handled differently in the new process is Measures. Under the new process, Measures in the standard would be replaced by information in the RSAW. Under the proposed process, the drafting team would participate in developing the</p>		

Organization	Yes or No	Question 6 Comment
		RSAW, which would be posted along with the standard during the final ballot, and a non-binding poll of the RSAW would be conducted. Please see the summary consideration under question 3 for additional information.

END OF REPORT