UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

North American Electric Reliability Corporation	**)** **)**	**Docket No. _____**

PETITION OF THE NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION FOR APPROVAL OF REVISIONS TO THE TEXAS RELIABILITY ENTITY, INC. REGIONAL RELIABILITY STANDARDS DEVELOPMENT PROCESS

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May 15, 2023

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Pursuant to Section 215(e)(4) of the Federal Power Act ("FPA")[1] and Section 39.10 of the regulations of the Federal Energy Regulatory Commission ("FERC" or "Commission"),[2] the North American Electric Reliability Corporation ("NERC")[3] requests Commission approval of the revised Texas Reliability Entity, Inc. ("Texas RE") Regional Reliability Standards Development Process ("RSDP"). The Texas RE RSDP provides the processes by which Texas RE develops regional Reliability Standards for the Electric Reliability Council of Texas ("ERCOT") Interconnection, consistent with its delegated authority under the Regional Delegation Agreement between NERC and Texas RE effective January 1, 2021.[4]

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1 16 U.S.C. § 824o.

2 18 C.F.R. § 39.10 (2023).

3 The Commission certified NERC as the electric reliability organization ("ERO") in accordance with Section 215 of the FPA. *N. Am. Elec. Reliability Corp.*, 116 FERC ¶ 61,062 (2006) [hereinafter ERO Certification Order].

4 The Commission most recently approved the Regional Delegation Agreements between NERC and each of the six Regional Entities in 2020. *N. Am. Elec. Reliability Corp.*, 173 FERC ¶ 61,277 (2020) (conditionally approving delegation agreements and directing compliance filing), *order on compliance*, Docket No. RR20-05-001 (Aug, 31, 2021) (delegated letter order).

NERC has the authority to delegate the development of regional standards under Section 215(e)(4) of the Federal Power Act (16 U.S.C. § 824o(e)(4)) and Section 39.8 of the Commission's regulations (18 C.F.R. § 39.8).

Pursuant to the Commission's November 2, 2015 and March 23, 2016 orders in Docket No. RR15-12, Regional Entity standards development procedures are no longer maintained as an exhibit to the Regional Delegation Agreements. NERC maintains an up-to-date copy of each Regional Entity's standards development procedure on its website at: https://www.nerc.com/AboutNERC/Pages/Regional-Entity-Delegation-Agreements.aspx.

The Texas RE RSDP are "Regional Entity Rules" as defined in Section 39.10 of the Commission's regulations, and, as such, require Commission approval.[5]

As described in greater detail in Section II of this Petition, Texas RE made several revisions to its RSDP to clarify existing sections, revise processes to be more consistent with the NERC Standard Processes Manual, and increase the flexibility for the Texas RE Member Representatives Committee (or "MRC") to make decisions regarding Texas RE Regional Standards development projects. The revised Texas RE RSDP continues to provide for reasonable notice and opportunity for public comment, due process, openness, and balance of interests in developing regional standards, consistent with Section 215 of the Federal Power Act. The NERC Board of Trustees approved the revised the Texas RE RSDP at its May 11, 2023 meeting.

Attachments 1 and 2 to this Petition are clean and redlined versions, respectively, of the proposed revised Texas RE RSDP. **Attachment 3** to this Petition contains a section-by-section description of the proposed changes and a summary rationale.

I. NOTICES AND COMMUNICATIONS

Notices and communications with respect to this filing may be addressed to the following:[6]

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[5] 18 C.F.R. § 39.10.

[6] Persons to be included on the Commission's service list are identified by an asterisk. NERC respectfully requests a waiver of Rule 203 of the Commission's regulations, 18 C.F.R. § 385.203, to allow the inclusion of more than two persons on the service list in this proceeding.

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II. PROPOSED REVISIONS TO THE TEXAS RE REGIONAL RELIABILITY STANDARDS DEVELOPMENT PROCESS

The Commission approved the currently effective version of the Texas RE RSDP on May 30, 2017.[7] The Texas RE RSDP provides that the RSDP will be reviewed for revisions as needed. Consistent with this provision, Texas RE reviewed its RSDP in 2021 and made a number of revisions over the course of 2022 to update the document.

The changes include clarifying existing sections, revising processes to be more consistent with the NERC Standard Processes Manual, and increasing the flexibility for the Member Representatives Committee (or "MRC") to make decisions regarding Texas RE Regional Standards development projects. Additional changes included reorganizing the document to remove duplicate sections and group similar sections together. The standards drafting team undertook a comprehensive review of the language in the entire document to ensure consistent use of terms.

The revisions are summarized on a section-by-section basis below and in **Attachment 3**. All changes appear in redline in **Attachment 2** to this Petition.

[7] *See N. Am. Elec. Reliability Corp.*, Docket No. RR17-3-000 (May 30, 2017) (delegated letter order).

A. Introductory Sections (Sections 1 -3)

This section provides a section-by-section overview of the changes to the introductory sections of the Texas RE RSDP, including the title, introduction, general principles for the development of standards, and the various roles of the different persons and entities in the Texas RE regional standards development process.

Title and Introduction. Texas RE revised the title section of its RSDP to include "Regional" in the title as this best describes the RSDP as a regional process. The background section was merged with the introduction to consolidate like items.

Section 1.1 Reliability and Market Principles. Texas RE created a new section 1.1 out of the last three paragraphs of the Background section in the currently effective RSDP.

Section 1.2 Essential Attributes. Texas RE reorganized this section to include principles for standards development, presently in Appendix B I. Principles, and rename the section Essential Attributes. Additionally, this section clarifies that the Reliability Standards Manager will determine entities that are directly and materially affected by ERCOT Bulk-Power system reliability and who may participate in the development of a regional standard under the RSDP.

Section 2.1 Regional Standard Description. This section is reorganized to include language from Appendix B II of the current RSDP. Further revisions reference existing language in NERC's *Ten Benchmarks of an Excellent Reliability Standard* posted on the NERC website.[8]

Section 2.2 Types of Reliability Requirements. This section is reorganized from Appendix B II Characteristics of a Regional Standard. The section is revised to refer to performance-based

[8] NERC, *Ten Benchmarks of an Excellent Reliability Standard*, https://www.nerc.com/pa/Stand/Resources/Documents/Ten_Benchmarks_of_an_Excellent_Reliability_Standard.pdf.

requirements, risk-based requirements, and capability-based Requirements, instead of technical standards, performance standards, and preparedness standards, to be consistent with NERC's Standard Processes Manual.[9]

Section 2.3 Elements of a Regional Standard. This section maps to Appendix B II b Elements of a Regional Standard in the currently effective RSDP. In the revised RSDP, Texas RE made a number of organizational changes and consolidations and removed discussion of processes that are described further in later sections of the document. Additionally, Texas RE revised the definitions of VRFs and VSLs to match the NERC Standard Processes Manual and added language regarding the enforceable parts of a standard that is consistent with the NERC Standard Processes Manual.

Section 3.0 Roles in the Texas RE Regional Standards Development Process. This section was revised in several respects to make the document more concise, promote consistency among other Texas RE documents, and remove duplicate language. First, Texas RE revised language regarding the composition of the Texas RE Member Representatives Committee, which is a Texas RE stakeholder committee with procedural oversight responsibilities under the Texas RE RSDP. In this section, Texas RE removed the detailed description of this committee and replaced it with a reference to the Texas RE Bylaws where the composition of this committee is described. Similarly, the acronym BOD (Board of Directors) was changed to Texas RE Board and language regarding the composition of the Texas RE Board was removed and replaced with a reference to the Texas RE Bylaws. Second, the discussion of the roles of the Texas RE Member Representatives Committee was revised to reflect that this committee may review FERC orders and may coordinate

[9] The NERC Standard Processes Manual is available at https://www.nerc.com/AboutNERC/RulesOfProcedure/Appendix_3A_SPM_Clean_Mar2019.pdf.

with NERC on the development of NERC's annual Reliability Standards Development Plan. Third, the description of the Registered Body Ballot ("RBB") was expanded to clarify the distinction between the RBB and the Ballot Pool. Fourth, the name 'Reliability Standards staff' was changed to Texas RE Standards Department to more accurately describe the staff. Lastly, the description of the Texas RE Standards Development Sectors was revised to be consistent with the sector descriptions in the Texas RE Bylaws.

B. Standards Development Process (Section 4)

Section 4 of the Texas RE RSDP describes the processes by which Texas RE develops, revises, or retires regional Reliability Standards for the ERCOT Interconnection. The process begins with the submission and posting of a Standard Authorization Request and provides opportunities for public comment and balanced stakeholder voting on standards proposals. The changes to the sections describing the various steps in this process are summarized below.

Section 4. Regional Standards Development Process. This section is renamed from Regional Standards Development Process Steps to Regional Standards Development Process.

Section 4 Note. The note in the Regional Standards Development Process section was revised to indicate that Texas RE will follow NERC's regional Reliability Standards evaluation procedure when developing new regional standards.[10]

Section 4.1 SAR Submittal. Requirements regarding Standard Authorization Requests ("SARs") are broken out into the distinct process steps. This section was revised to add a provision to notify the Member Representatives Committee when a Standard Authorization Request has been submitted.

[10] This procedure is available on the NERC web page at https://www.nerc.com/pa/Stand/Resources/Pages/default.aspx.

Section 4.2 SAR Public Comment Period. The public posting period for the Standard Authorization Request was changed from 15 days to 30 days to provide more time for comments.

Section 4.3 MRC Considers the SAR for a Standards Development Project. This section is revised to provide that updates to the Member Representatives Committee shall be made at least quarterly, instead of at least monthly, as the Member Representatives Committee meets quarterly. Additionally, the requirement that the Member Representatives Committee accept or modify the Standard Authorization Request within 60 days was removed to allow more flexibility if the next regularly scheduled Member Representatives Committee is not within 60 days. Language regarding periodic updates to the Texas RE Board is moved to earlier in the process.

Section 4.4 Formation of the Standard Drafting Team (SDT). This section is revised to provide more flexibility in the process by removing the 60-day deadline for the Member Representatives Committee to accept or modify a standard drafting team slate. Language regarding declaring a milestone date has also been removed from the title to provide more flexibility to establish dates which may not be known at this time in the process.

Section 4.5 Work and Work Product of the Standard Drafting Team. This section is revised in several respects, including organizational changes, changes intended to provide flexibility in project timing, changes intended to avoid redundancy, and changes to promote consistency with the NERC Standard Processes Manual regarding the composition of implementation plans. Language regarding the standard drafting team assessing the impact of SAR on neighboring regions is removed. Questions regarding the impact of a regional standard on neighboring regions is addressed during the NERC public comment period, whereby any interested party from any region may participate and comment on the proposed regional standard. Additionally, this section would add the creation of a draft Reliability Standard Audit Worksheet to the list of standard

drafting team work product items and specifically address work product associated with the retirement of regional standards.

Section 4.6 Informal Comment. This is a new section consistent with Section 4.5 of the NERC Standard Processes Manual and allows another option for obtaining feedback on a draft standard.

Section 4.7 MRC Considers the Work Product for a Public Comment and Ballot Period. This process step is given its own section to make clear there is an action to be taken in sending the work product out for public comment and ballot. Language regarding the Member Representatives Committee's authority is moved to the Roles section.

Section 4.8 Form Ballot Pool. This section is revised to promote flexibility in the administration of ballot pools by allowing members of the Registered Ballot Body to join at any time as long as it is prior to the ballot period.

Section 4.9 Public Comment Period. The public comment period was revised from 30 days to 45 days with a ballot in the last 15 days, similar to NERC practice for concurrent comment periods and ballots.[11] This change allows for a ballot to take place before the drafting team meets to discuss comments. This section also adds a description of when compliance-related elements and documents may be posted. Language regarding notice is revised to provide for more flexibility.

Section 4.10 Ballot Period. This section is revised in several respects to include voting positions (affirmative, affirmative with comments, negative with comments, abstain, abstain with comments), clarify that Violation Risk Factors and Violation Severity Levels may be subject to non-binding polls and not be subject to voting approval, and consolidate language.

[11] This provision is similar to the NERC process in that a ballot is conducted during the comment period; however, NERC conducts ballots during the last 10 days of a 45-day comment period.

Section 4.11 Ballot Results. This section is revised in several respects to provide flexibility regarding the termination of unsuccessful projects and provide more flexibility regarding the conduct of the process, including revising the SAR and additional comment and ballot periods. Additionally, this new section specifically describes quorum, how the ballot passes, and the Member Representative Committee's options if it does not pass.

Section 4.12 Response to Comments. This is a new section to clarify, in its own section, requirements related to responding to comments and subsequent postings. New language regarding non-substantive and substantive revisions and required steps for the next postings provides clarity and is consistent with Section 4.12 of the NERC Standard Processes Manual. Further revisions include specifying that ballot results will be provided to the Member Representatives Committee and Texas RE Board.

Section 4.13 Conduct Final Ballot. This section is a new section to describe when a final ballot shall take place. Texas RE's final ballot is 15-days long (compared to NERC's 10-day final ballot).

Section 4.14 MRC Approves the Final Work Product to be Sent to the Texas Board. This section is revised to reflect revisions to the Texas RE balloting process.

Section 4.15 Action by the Texas RE Board. This section is revised in several respects to make the process more clear and concise, such as by specifying that the Texas RE Board is taking action on the standard and the associated elements and condensing the contents of the informational package that is prepared. Language regarding Texas RE Board action is changed consistent with the NERC Standard Processes Manual, by which the NERC Board of Trustees adopts, rather than approves, Reliability Standards. Language regarding Violation Risk Factors and Violation Severity Levels is deleted as redundant.

Section 4.16. Submittal to NERC. This section is revised to clarify that the Regional Standard Manager will notify NERC when the standard has been adopted by the Texas RE Board. NERC staff will then prepare the materials for the NERC Board adoption and subsequent petition to FERC for approval.

Section 4.17. Implementation of a Regional Standard. This section is revised to consolidate two sections, Regional Standard Integration with the Implementation of a Regional Standard, to make the process more clear and concise regarding notification procedures and communication.

C. Other Provisions

The remaining sections of the Texas RE RSDP address maintenance of the RSDP itself, maintenance of regional standards, urgent action procedures, standards interpretations, appeals, and the conduct of field tests. The changes in these sections are summarized below.

Section 5. Maintenance of Texas RE RSDP. This section describes the process for updating the Texas RE RSDP outside of the scope of revising other corporate documents. The reference to the Regional Delegation Agreement is replaced with a reference to the Texas RE Bylaws, as regional entity standard development procedures are no longer included as attachments to the Regional Delegation Agreements. This section also contains terminology updates consistent with those made in other sections.

Section 6. Maintenance of Regional Standards. This section is revised to allow flexibility in the regional standard review period if there are circumstances for which a review every five years is inappropriate. The language is revised from requiring a review of each regional standard every five years to requiring that each regional standard be considered for review least every five years. Additionally, the revised section would allow the Member Representatives Committee to form a review team to conduct the review if needed.

Section 7. Urgent Action. This section is revised so that the SAR will provide more information to the Member Representatives Committee regarding the need for urgent action procedures, including justification for urgent action regarding a proposed standard, risk of not implementing the proposed standard, and costs of rapid implementation. Also, this section is revised to provide for a 30 day comment period with voting in the last 10 days, consistent with changes to the Texas RE voting procedure in Section 4. As Texas RE urgent action regional standards expire within one year from FERC approval, a footnote is added to indicate that the Member Representatives Committee with monitor the urgent action standard and renew it with enough time for Commission approval.

Section 8. Interpretations of Regional Standards. This section is revised to add actions the Member Representatives Committee can take regarding interpretations of regional standards and the reasons the Member Representatives Committee may reject a request. A subsection is added describing the interpretation process. These additions are consistent with provisions regarding interpretations in the NERC Standard Processes Manual.

Section 8.1. Process for Developing an Interpretation. The last sentence in this section is revised to be consistent with the language in the NERC Standard Processes Manual section 7.2.3 regarding the standing of an interpretation.

Section 9. Appeals. This section is revised to clarify that the Reliability Standards Manager will determine who has "directly and materially affected interests" and may therefore appeal an action or inaction related to a regional standard.

Section 9.1. Level 1 Appeal. This section is revised to clarify that the appeals process only applies to the regional standards process, as set forth in the RSDP, and not the regional standard itself.

Section 9.2. Level 2 Appeal. This section is revised to clarify that the appeals panel will determine who is "directly and materially affected" and may be heard by the panel as part of a Level 2 Appeal.

Section 10. Field Tests. This is a new section which provides a method for conducting field tests according to the NERC Standard Processes Manual.

*Appendix A. Balloting Example*s. This is a new section which clarifies how ballots are tallied.

Appendix B. Flowchart. This section is revised to match changes in the standard development process. The flowchart matches the process described in section 4.

III. TEXAS RE AND NERC APPROVALS FOR PROPOSED REVISIONS

The revised Texas RE RSDP was posted for a 30-day public comment period in accordance with Section 4 of the currently effective Texas RE RSDP from August 29, 2022 through September 28, 2022. The revised Texas RE RSDP was posted for ballot from January 17, 2023 through February 1, 2023, where it achieved the required sector approval. The Texas RE Board approved the revised Texas RE RSDP on February 8, 2023.

In accordance with Section 311 of the NERC Rules of Procedure, NERC posted the Texas RE RSDP for a 45-day public comment period from March 8, 2023 through April 21, 2023. One set of responses was received, indicating that the respondent agreed that the Texas RSDP continues to meet the criteria to be open, inclusive, balanced, and transparent and to provide for due process. The NERC Board of Trustees approved the revisions to the Texas RE RSDP at its May 11, 2023 meeting.

IV. CONCLUSION

NERC respectfully requests the Commission approve the proposed revisions to the Texas RE RSDP as shown in **Attachment 1** to this Petition.

Respectfully submitted,

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Date: May 15, 2023

Attachment 1

Revised Texas RE Regional Reliability Standards Development Process – Clean

DRAFT Texas Reliability Entity, Inc.
Regional Standards Development Process

TEXAS RE
Ensuring electric reliability for Texans

Table of Contents

1. Introduction

Pursuant to the NERC Rules of Procedure and the Texas Reliability Entity, Inc. (Texas RE)/ North American Electric Reliability Corporation (NERC) Delegation Agreement, this document defines the fair and open process for adoption, approval, revision, reaffirmation, and retirement of a Texas RE Regional Reliability Standard (Regional Standard) for the ERCOT region. The Regional Standards Development Process (RSDP) also addresses the process for obtaining a Texas RE Regional Variance to a NERC Reliability Standard which shall be the same as the process for obtaining a Regional Standard.[1]

Regional Standards provide for the reliable regional and sub-regional planning and operation of the Bulk-Power System (BPS), consistent with good utility practice within a Regional Entity's (RE's) geographic footprint. Regional Standards shall provide for as much uniformity as possible with NERC Reliability Standards applicable to the interconnected BPS of the North American continent. Proposed Regional Standards shall not be inconsistent with, or less stringent than established NERC Reliability Standards. A Regional Standard that satisfies the statutory and regulatory criteria for approval of proposed NERC Reliability Standards, and that is more stringent than a NERC Reliability Standard, is generally acceptable. Regional Standards provide a level of BPS reliability that is adequate to ensure the protection of public health, safety, welfare, and national security.

Proposed Regional Standards are subject to approval by the NERC, as the Electric Reliability Organization, and by the Federal Energy Regulatory Commission (FERC) before becoming mandatory and enforceable under Section 215 of the Federal Power Act. Regional Standards, when approved by FERC, shall be made part of the body of NERC Reliability Standards and shall be enforced upon all applicable registered entities within the ERCOT region.

1.1. Reliability and Market Principles

The NERC Board of Trustees has adopted NERC Reliability Principles and NERC Market Principles (collectively, NERC Principles) to define the purpose, scope, and nature of NERC Reliability Standards[2]. The NERC Principles are fundamental to reliability and the market interface and guide the development of NERC Reliability Standards. The NERC Board of Trustees may modify the NERC Principles from time to time, as necessary, to adapt its vision for NERC Reliability Standards.

Each Regional Standard shall enable or support one or more of the NERC Reliability Principles, thereby ensuring that each Regional Standard serves a purpose in support of reliability of the North American BPS. Each Regional Standard shall also be consistent with all of the NERC

[1] Throughout this document, where the term Regional Standard is used, the same process will be applied to a Regional Variance.
[2] The latest sets of NERC Reliability Principles and NERC Market Principles are posted on NERC's website.

Principles, thereby ensuring that no Regional Standard undermines reliability through an unintended consequence. Persons and committees that are responsible for the RSDP shall consider these NERC Principles in the execution of those duties.

While NERC Reliability Standards are intended to promote BPS reliability, they must also accommodate competitive electricity markets. Reliability is a necessity for electricity markets, and robust electricity markets can support reliability. The intent of considering the NERC Market Principles is to ensure that Regional Standards are written to achieve their reliability objective without causing undue restrictions or adverse impacts on competitive electricity markets. Recognizing that BPS reliability and electricity markets are inseparable and mutually interdependent, all Regional Standards shall be consistent with the NERC Market Principles.

1.2. Essential Attributes of the Texas RE Regional Standards Development Process

The process for developing and approving NERC Reliability Standards is generally based on the procedures of the American National Standards Institute (ANSI) and other standards-setting organizations in the United States and Canada. Due process is the key to ensuring that stakeholders develop Regional Standards in an environment that is equitable, accessible, and responsive to the requirements of all interested and affected parties. An open and fair process ensures that all interested and affected parties have an opportunity to participate in the development of a Regional Standard.

Regional Standards are developed with due consideration of the following attributes and in accordance with the steps outlined in this procedure. The process must ensure that any Regional Standard is technically sound and the technical specifications proposed would achieve a valuable reliability objective.

The RSDP has the following attributes:

- **Open** – Participation in the development of a Regional Standard shall be open to all entities that are directly and materially affected by ERCOT BPS reliability, as determined by the RSM. There shall be no undue financial barriers to participation. Participation shall not be conditioned upon membership in Texas RE and shall not be unreasonably restricted on the basis of technical qualifications or other such requirements.
- **Balanced** – The RSDP strives to have an appropriate balance of interests and shall not be dominated by any two interest categories and no single interest category shall be able to defeat a matter.
- **Inclusive** – Any entity (person, organization, company, government agency, individual, etc.) with a direct and material interest in the BPS in the ERCOT region shall have a right to participate by:
  a) expressing a position and its basis,
  b) having that position considered, and
  c) having the right to appeal.

- **Fair Due Process** – The RSDP shall provide for reasonable notice and opportunity for public comment. At a minimum, the procedure shall include public notice of the intent to develop a Regional Standard, a public comment period on the proposed Regional Standard, due consideration of those public comments, and a ballot of Texas RE Standards Development Sectors described in Section 3.
- **Transparent** – All actions material to the development of Regional Standards shall be transparent. All standards development meetings shall be open and publicly noticed on the Texas RE website.
- **Timely** – The RSDP does not unnecessarily delay development of the proposed Regional Standard.

2. Regional Standard Elements

2.1. Regional Standard Description

A NERC Reliability Standard includes a set of requirements that define specific obligations of entities that operate, plan, and use the BPS of North America. The requirements must be material to reliability and measurable. Each requirement shall support one or more of the stated NERC Reliability Principles and shall be consistent with all of the stated NERC Principles.

Texas RE may develop, through its own processes: (1) Regional Standards that go beyond, add detail to, or implement NERC Reliability Standards or that cover matters not addressed in NERC Reliability Standards, and (2) Regional Variances that allow an alternative approach to meeting the same reliability objective as the NERC Reliability Standard, typically necessitated by physical or logical differences.

The development of a Regional Standard should consider applicability, purpose, performance requirements, measurability, technical basis, completeness, consequences for noncompliance, clear language, practicality, and consistent terminology in accordance with NERC's Ten Benchmarks of an Excellent Reliability Standard.[3]

2.2. Types of Reliability Requirements

Although Regional Standards have a common format and development process, several types of reliability requirements may exist, each with a different approach to measurement:

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

[3] The Ten Benchmarks of an Excellent Reliability Standard are posted on NERC's website.

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

2.3. Elements of a Regional Standard

To ensure uniformity, all Regional Standards shall consist of the elements identified below. These elements apply a systematic discipline in the development and revision of Regional Standards. Following this format ensures that Regional Standards are measurable, enforceable, and consistent. All mandatory requirements shall be within the Regional Standard. Supporting documents to aid in the implementation of a Regional Standard may be referenced by the Regional Standard but do not themselves contain mandatory requirements subject to compliance review.

The only enforceable parts to the Regional Standard are the Applicability, Effective Date(s), and the Requirements.

Elements –

- **Title** – A brief, descriptive phrase identifying the topic of the Regional Standard.
- **Number** – A unique identification number assigned in accordance with an administrative classification system to facilitate tracking and reference.
- **Purpose** – The purpose of the Regional Standard. The purpose shall explicitly state what outcome will be achieved or is expected by this Regional Standard.
- **Applicability** – Clear identification of the functional classes of registered entities responsible for complying with the Regional Standard, noting any specific additions or exceptions. If not applicable to the entire ERCOT region, this element must include a clear identification of the portion of the BPS to which the Regional Standard applies. This element should describe any limitation on the applicability of the Regional Standard based on electric facility requirements.
- **Effective Date** – The effective date of the Regional Standard or, prior to approval of the Regional Standard, the proposed effective date. Each Regional Standard shall have an associated implementation plan describing the effective date of the Regional Standard or effective dates if there is a phased implementation. The implementation plan may also describe the implementation of the Regional Standard in the compliance program and other considerations in the initial use of the Regional Standard, such as necessary tools,

training, etc. The implementation plan must be posted for at least one public comment period and is approved as part of the ballot of the Regional Standard.

- **Requirements** – Explicitly stated technical, performance, and preparedness requirements. Each requirement identifies which functional class of registered entities is responsible and what action is to be performed or what outcome is to be achieved. Each statement in the requirements section shall be a statement for which compliance is mandatory.
- **Compliance Elements** –
    - **Measure(s)** – Each requirement shall be addressed by one or more measures. Measures are used to assess performance and outcomes for the purpose of determining compliance with the associated requirement(s). Each measure will identify the functional classes of registered entities to which the measure applies and the expected level of performance or outcomes required for demonstrating compliance. Each measure shall be tangible, practical, and as objective as is practical. It is important to realize that measures are proxies to assess required performance or outcomes. Achieving the measure should be a necessary and sufficient indicator that the requirement was met. Each measure shall clearly refer to the requirement(s) to which it applies.
    - **Violation Risk Factors (VRFs)** – The potential reliability significance of each requirement, designated as a High, Medium, or Lower Risk Factor.[4]
    - **Violation Severity Levels (VSLs)** – Defines the degree to which compliance with a requirement was not achieved. Each requirement must have at least one VSL. While it is preferable to have four VSLs for each requirement, some requirements do not have multiple "degrees" of noncompliant performance and may have only one, two, or three VSLs.[5]
- **Compliance Enforcement Authority** – The entity that is responsible for evaluating data or information to assess performance or outcomes.
- **Compliance Monitoring and Enforcement Processes** – The processes that will be used to evaluate data or information for the purpose of assessing performance or outcomes.
- **Data Retention** – Measurement data retention requirements and assignment of responsibility for data archiving.
- **Additional Compliance Information** – Any other information related to assessing compliance such as the criteria or periodicity for filing specific reports.
- **Time Horizons** – An associated time horizon to differentiate requirements that involve shorter and narrower time frames (e.g., real-time operations) from those that involve longer and broader time frames (e.g., long-term planning).

2.4. Supporting Information Elements

[4] The latest set of approved VRF Criteria is posted on NERC's website.
[5] The latest set of approved VSL Criteria is posted on NERC's website.

- **Interpretation** – Any interpretation of a Regional Standard that is developed and approved in accordance with section 8 of this RSDP. An interpretation is only intended to clarify or interpret requirements or attachments referenced in requirements. An interpretation is not intended to indicate compliance approaches to the requirements.
- **Supporting References** – This section references related documents that support reasons for, or otherwise provide additional information related to, the Regional Standard. Examples include but are not limited to:
    - NERC Glossary of Terms
    - Development history of the standard and prior versions
    - Notes pertaining to implementation or compliance
    - Regional Standard references
    - Regional Standard supplements
    - Procedures
    - Practices
    - Training references
    - Technical references
    - White papers
    - Internet links to related information

3. Roles in the Texas RE Regional Standards Development Process

Member Representatives Committee (MRC) – A balanced committee comprised of Texas RE members that provides advice and recommendations to the Texas RE Board of Directors (Texas RE Board) regarding various issues, including Regional Standards. The MRC and its subcommittees, in coordination with the Texas RE Reliability Standards Manager (RSM), will review, participate in, and manage the RSDP. The MRC may coordinate the development of Texas RE Regional Standards with the development of NERC Reliability Standards appearing in the NERC Reliability Standards Development Plan, and the MRC will coordinate and submit comments as a group, to the extent feasible. The MRC may also review FERC Orders pertaining to standards and standards development activities to ensure directives are addressed in Regional Standard development.

At any time during the development process, the MRC may exercise its authority over the RSDP by directing the SDT to move to section 4.6 and post the current Work Product for comment. Any interested entity (including the Originator and the RSM) that contends the SDT is not effectively progressing on a draft Regional Standard may notify the MRC. If any entity contends the MRC has not taken timely action regarding any requested Regional Standard, the entity may file a written complaint with the RSM, who will notify the MRC. If the MRC cannot resolve the complaint within sixty days, the complaining entity may request that its complaint be included on the RSM's report to the Texas RE Board.

The MRC will receive, consider, and vote upon requests for new or revised Regional Standards.

The MRC will consider any requests for Regional Standards from parties that are directly and materially affected by the operation of the ERCOT region BPS that have first been submitted to the RSM for initial review.

The MRC's composition is described in the Texas RE Bylaws.[6]

Originator – Any person, acting as a representative of an organization that is directly and materially affected by the operation of the ERCOT region BPS. Originators are allowed to request that a Regional Standard be developed, or an existing Regional Standard be modified, or retired, by submitting a Regional Standards Authorization Request (SAR) to the RSM.

Texas RE Board of Directors (Texas RE Board) – The Texas RE Board shall act on any proposed Regional Standard that has completed the RSDP. Once the Regional Standard is adopted by the NERC Board and approved by FERC, Texas RE will enforce the Regional Standard consistent with the terms of the Regional Standard.

The Texas RE Board's composition is described in the Texas RE Bylaws.[7]

Registered Ballot Body (RBB) – The Registered Ballot Body (RBB) comprises all entities or individuals that qualify for one of the membership Texas RE Standards Development Sectors and are registered as potential ballot participants in the RSDP. Each member of the RBB is eligible to join the Ballot Pool for each Regional Standard action. Members of the RBB may belong to all Sectors for which they qualify, provided that each registered entity has a different representative for each Sector to which it belongs.

Any qualified registered entity or individual may join the RBB at any time. The RSM will evaluate the RBB at the beginning of each project and, if deemed necessary, solicit new members.

Registered Ballot Pool (Ballot Pool) – Each Regional Standard has its own Ballot Pool formed of interested members of the RBB. Members must join the RBB prior to joining the Ballot Pool. The Ballot Pool will vote on a particular standard action. There may not be more than one member per Sector per registered entity in the Ballot Pool.

Reliability Standards Manager (RSM) – A Texas RE employee assigned the task of ensuring that the development, revision, or retirement of Regional Standards is in accordance with RSDP. The RSM works with the MRC to ensure the integrity of the process and consistency of quality and completeness of the Regional Standards. The RSM manages the RSDP and coordinates and facilitates all actions contained in all steps in the process including the management of the Standard Drafting Teams.

[6] The current and approved bylaws are on Texas RE's website.
[7] The current and approved bylaws are on Texas RE's website.

Texas RE Standards Department – Texas RE employees who work with or for the Reliability Standards Manager.

Standard Drafting Team (SDT) – A team of technical experts, assigned by the MRC, which may include a Texas RE employee and the Originator, assigned the task of developing a proposed Regional Standard based upon an approved Standard Authorization Request (SAR) using the RSDP contained in this document.

Texas RE Standards Development Sectors (Sectors) – The six (6) Texas RE Standards Development Sectors are defined as follows:

- System Coordination and Planning: An entity that is registered with NERC as a Reliability Coordinator (RC), Balancing Authority (BA), Planning Authority (PA)
- Transmission and Distribution: An entity that is registered with NERC as a Transmission Owner (TO), Transmission Planner (TP), Transmission Service Provider (TSP), Distribution Provider (DP), and/or Transmission Operator (TOP) and is not a Cooperative or Municipal Utility.
- Cooperative Utility: An entity that is (a) a corporation organized under Chapter 161 of the Texas Utilities Code or a predecessor statute to Chapter 161 and operating under that chapter; or (b) a corporation organized as an electric cooperative in a state other than Texas that has obtained a certificate of authority to conduct affairs in the State of Texas; or (c) a cooperative association organized under Chapter 251 of the Texas Business Organizations Code and is registered with NERC for at least one reliability function.
- Municipal Utility: A municipally owned utility as defined in PURA §11.003 and is registered with NERC for at least one reliability function.
- Generation: An entity that is registered with NERC as a Generator Owner (GO) or Generator Operator (GOP).
- Load-Serving and Marketing: An entity that secures wholesale transmission service or is engaged in the activity of buying and selling of wholesale power in the ERCOT region on a physical or financial basis, or qualifies under any newly defined NERC reliability function for demand response.

4. Regional Standards Development Process

Note: The term "days" below refers to calendar days. The RSM shall coordinate with NERC to ensure its adherence to NERC's Regional Reliability Standards Evaluation Procedure.[8]

4.1. SAR Submittal

The first step in the RSDP is the submission of a SAR. As stated in section 3 above, an Originator may submit a SAR. The SAR may request the development, modification, or retirement of a

[8] This procedure is located on NERC's website.

Regional Standard. Any such request shall be submitted to the RSM. The SAR form may be downloaded from the Texas RE website. An acceptable SAR contains the following:

- a description of the proposed Regional Standard, proposed revision(s), or proposed retirement;
- information to clearly define the purpose, reliability benefit, scope, and impacted parties; and
- other relevant information for the proposed Regional Standard, proposed revision(s), or proposed retirement.

The RSM shall verify that the submitted SAR form is adequately complete to guide the development of a Regional Standard. The RSM may offer the Originator suggestions regarding changes or improvements to enhance clarity of the Originator's intent and objectives. The Originator is free to accept or reject these suggestions. Within 15 days of receipt of an adequately completed SAR, the RSM will electronically acknowledge receipt of the SAR submission to the Originator and notify the MRC of its intent to post for a public comment period.

4.2. SAR Public Comment Period

The RSM shall post all adequately completed SAR submissions on the Texas RE website for a 30-day public comment period. After this initial comment period, the RSM shall then provide the SAR and all comments received during the 30-day public comment period to the MRC for consideration.

4.3. MRC Considers the SAR for a Standards Development Project

The MRC shall determine the disposition of the SAR no later than its next regularly scheduled MRC meeting. The MRC may delay its determination to the following scheduled MRC meeting.

The disposition decision process shall use the normal business rules and procedures of the MRC then in effect.[9] The MRC may vote to take one of the following actions:

- **Accept** the SAR as a candidate for development of a new Regional Standard, revision of an existing Regional Standard, or retirement of an existing Regional Standard. The MRC may, in its sole discretion, expand or narrow the scope of the SAR under consideration.

- **Reject** the SAR by providing a written explanation for rejection to the Originator within 30 days of the decision, and the Texas RE Board shall be notified of such explanation. The Texas RE Board may, at its discretion, direct the MRC to reconsider any SAR that has been rejected.

[9] The current and approved MRC Procedures are on Texas RE's website.

- **Remand** the SAR back to the Originator for additional work. The RSM will make reasonable efforts to assist the Originator in addressing the deficiencies identified by the MRC. The Originator may then resubmit the modified SAR using the process above. The Originator may choose to withdraw the SAR from further consideration prior to re-submittal to the MRC. There is no established limit on the number of times a SAR may be resubmitted and posted for a public comment period using the process in sections 4.1 – 4.3.

Any SAR that is accepted by the MRC for development of a Regional Standard (or modification or retirement of an existing Regional Standard) shall be posted for public viewing on the Texas RE website, and its status will be updated as appropriate. The MRC shall prioritize the development of SARs as may be required based on the number of SARs under development at any time.

The RSM shall periodically (at least once per quarter) report to and inform the MRC of the status of the project including the timely completion of the Work Product as described in section 4.5. At any point in the RSDP, the SDT may request the MRC change the scope of the SAR.

The RSM shall submit a written report to the Texas RE Board on a periodic basis (at least quarterly at regularly scheduled Texas RE Board Meetings) showing the status of all SARs that have been brought to the MRC for consideration.

4.4. Formation of the Standard Drafting Team (SDT)

Upon acceptance by the MRC of a SAR for development of a new Regional Standard (or modification or retirement of an existing Regional Standard), the MRC shall direct the RSM to solicit drafting team nominees by announcing the opening of nominations to the stakeholders in the ERCOT region. The SDT shall consist of a group of people who collectively have the necessary technical expertise and work process skills to draft the Regional Standard being requested in the SAR. Based on the nominations received, the RSM shall recommend to the MRC a balanced slate, representing multiple Sectors, if possible, for the SDT. The membership of the SDT shall not include more than one individual from any one registered entity.

The RSM shall submit the proposed list of names of the SDT to the MRC. The MRC shall either accept the recommendations of the RSM or modify the SDT slate, as it deems appropriate.

The RSM will facilitate the SDT to ensure that the RSDP is followed, and that the SDT membership receives all necessary administrative support. The RSM may develop additional guidelines to assist the SDT, but, as a general rule, the RSM will follow the then-current NERC SDT Guidelines and associated NERC SDT procedures[10] in the management of the regional SDTs. The MRC shall appoint an SDT interim chair (should not be a Texas RE staff person). The SDT shall elect the permanent chair and vice chair at its first meeting.

[10] These materials are available on NERC's website.

4.5. Work Product of the Standard Drafting Team

The mission of each SDT is to develop an excellent, technically correct Regional Standard that provides an adequate level of BES reliability. The SDT shall meet, either in person or via electronic means (such as webinar) as necessary, establish sub-work teams or groups (made up of members of the SDT) as necessary, and perform other activities to address the parameters of the SAR.

For projects creating new or revising existing Regional Standards, the Work Product of the SDT shall consist of the following:

- A work plan including the establishment of milestones for completing critical elements. This plan shall be delivered and reported to the MRC.
- A draft Regional Standard consistent with the SAR on which it was based. The draft Regional Standard shall contain the elements described in section 2 and the RSDP shall adhere to the attributes described in section 1.
- An implementation plan, including the nature, extent, and duration of field-testing, if any. The implementation plan shall include:
    - The proposed effective date, or date by which entities shall be compliant with the requirements;
    - New or revised definitions, if applicable, and the effective date(s) of those definition(s); and
    - Whether there are any prerequisite actions that need to be accomplished prior to registered entities being held responsible for the requirements.
- Identification of any existing Regional Standard (or other regional criteria, protocol, or rule) that may be retired, in part or whole, or otherwise impacted by the implementation of the proposed Regional Standard.
- Technical reports and/or work papers that provide technical support for the Regional Standard under consideration.
- A draft of recommended Violation Risk Factors (VRFs) and Violation Severity Levels (VSLs) that meet the latest criteria[11] established by NERC and Applicable Governmental Authorities. The SDT may coordinate with Texas RE Standards Department to develop VRFs and VSLs.
- A draft Reliability Standard Audit Worksheet (RSAW) developed collaboratively by the SDT and Texas RE Standards Department. RSAWs are not part of the Regional Standard. A non-binding poll may be conducted for the RSAW developed through this process to gauge industry support. Results of the non-binding poll will be provided to the Texas RE Board for informational purposes.

For projects retiring a Regional Standard, the Work Product of the SDT shall consist of the following:

[11] NERC criteria may be found on NERC's website.

- A work plan including the establishment of milestones for completing critical elements. This plan shall be delivered and reported to the MRC;
- Justification for retirement;
- A mapping document showing coverage of the requirements proposed for retirement; and
- An implementation plan identifying when the Regional Standard is to be retired.

4.6. Informal Feedback

SDTs may use a variety of methods to collect informal stakeholder feedback on preliminary drafts of its Work Product, including the use of informal comment periods, webinars, industry meetings, workshops, or other mechanisms. The various methods are intended to gather feedback during the development process, and could happen at any time, without the MRC's approval. Information gathered from informal comment periods shall be publicly posted on Texas RE's website. The SDT is not required to respond to each comment received, however, the SDT should provide a summary response that describes how it used the information gathered. Informal comment periods do not include a ballot period.

4.7. MRC Considers the Work Product for Public Comment and Ballot Period

Upon completion of the Work Product, the SDT shall submit these documents to the MRC, who will verify that the proposed Work Product is consistent with the SAR on which it was developed. If the MRC deems it to be appropriate, the MRC shall approve the Work Product for a public comment and ballot period for the proposed Regional Standard and implementation plan or remand the Work Product to the SDT.

4.8. Form Ballot Pool

Any member of the RBB may join the Ballot Pool prior to the 15-day ballot period. The RSM shall send a notice to every member in the RBB to notify them of an opportunity to join the Ballot Pool for this Regional Standard. The notice to form the Ballot Pool must be sent at least 30 days prior to the start of the ballot period.

RBB members may join the Ballot Pool at any point during the process as long as a ballot period has not already begun.

4.9. Public Comment Period

Once the MRC approves the Work Product for a public comment and ballot period, the RSM shall post the Work Product on the Texas RE website for a 45-day public comment period with the ballot period for the Regional Standard and implementation plan occurring during the last 15 days.

The SDT may choose to defer the posting of draft VRFs, VSLs, and RSAW for stakeholder comment until a second or later posting of the draft Work Product. It is, however, recommended

that the VRFs, VSLs, and RSAW be posted for comment with the entire draft Work Product as early in the RSDP as possible. A non-binding poll shall be conducted of the Ballot Pool to gauge industry support of the VRFs, VSLs, and RSAW prior to submittal of the Work Product to the Texas RE Board for approval.

The RSM shall give notice of the posting using the typical communication procedures in effect or other means as deemed appropriate.

4.10. Ballot Period

Prior to being eligible to vote during a ballot period, members of the RBB must join the Ballot Pool for each individual project prior to the start of the ballot period for that project.

The last 15 days of the 45-day public comment period shall be the ballot period for the proposed Regional Standard and implementation plan.

Each member of the Ballot Pool for a project may only vote one of the following positions on the ballot(s):

- Affirmative
- Affirmative with comments
- Negative with comments
- Abstain
- Abstain with comments

A ballot period may include a non-binding poll for the VRFs, VSLs and RSAW. The results of this poll will be reported to the MRC and the Texas RE Board and considered by the RSM in forming its recommendations.

Voting is an advisory to the Texas RE Board. The voting results shall be composed of only the votes from the Ballot Pool members who have responded within the 15-day voting period. Votes may be accompanied by comments explaining the vote but are not required unless the vote is negative.

4.11. Ballot Results

The RSM shall review and tally the ballot results.

Quorum is established if at least four Sectors have at least one representative who submitted an affirmative, negative, or abstention vote. A majority vote within a Sector is determined based on the affirmative and negative votes. A Regional Standard passes ballot if at least two-thirds of the voting Sectors have an affirmative vote.

If a proposed Regional Standard passes ballot during the 15-day ballot period, the SDT will consider all comments received and make necessary changes to the Work Product as described in section 4.12.

If a proposed Regional Standard does not pass ballot during the 15-day ballot period, the SDT will consider all comments received and revise the Work Product accordingly. The SDT will then conduct an additional 45-day comment and 15-day ballot period.

There are no limits to the number of comment and ballot periods that the SDT can conduct to result in a Regional Standard that is clear and enforceable, to achieve a quorum, or to obtain sufficient affirmative votes for approval. The MRC has the authority to end all further work on the proposed Regional Standard if, in the MRC's opinion, the SDT cannot develop a Regional Standard that is within the scope of the associated SAR, is sufficiently clear to be enforceable, or cannot achieve quorum or sufficient affirmative votes for approval.

4.12. Response to Comments

Within 30 days of the conclusion of the 45-day public comment period, the SDT shall convene and consider changes to the Work Product, based upon comments received. If the SDT determines revisions are substantive, the SDT must conduct an additional 45-day comment and 15-day ballot period. A non-substantive revision is a revision that does not change the scope, applicability, or intent of any Requirement and includes but is not limited to things such as correcting the numbering of a Requirement, correcting the spelling of a word, adding an obviously missing word, or rephrasing a Requirement for improved clarity. If the SDT does not make revisions or only makes non-substantive revisions, the SDT shall conduct a final 15-day ballot period.

The SDT shall also prepare a formal written response to every comment received. The responses may be provided in summary form, but all comments and objections must be responded to by the SDT. If the SDT determines there should be revisions to the VRFs, VSLs, and/or RSAW, the SDT will work with Texas RE staff to make revisions.

The SDT shall prepare a "modification report" containing the following:

- comments received;
- the SDT's responses to the comments;
- the changes made to the draft standard as a result of these comments; and
- ballot results.

The RSM shall post responses to all comments on the Texas RE website no later than the next posting of the revised Work Product.

4.13. Conduct Final Ballot

The SDT shall conduct a final ballot when:

- The Work Product is complete;
- The proposed Regional Standard and implementation plan have passed an initial and/or additional ballot; and
- There are no additional substantive changes to be made to the Work Product.

The final ballot period is 15 days. The RSM will notify the Ballot Pool of the final ballot. The SDT shall provide all previous comments received and its responses to the comments.

In the final ballot, members of the Ballot Pool may indicate a revision to their most recent vote; otherwise, their vote shall remain the same as their most recent ballot. Members of the Ballot Pool who did not respond to the prior ballot are permitted to vote in the 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.

The RSM shall review and tally the final ballot results as described in section 4.11.

If the final ballot does not pass, the MRC may decide whether to end all further work on the proposed Regional Standard, return the project to the SDT for additional work, or continue holding ballots to attempt to reach consensus on the proposed Regional Standard.

4.14. MRC Approves the Final Work Product to be Sent to the Texas RE Board

Once the proposed Regional Standard and implementation plan pass the final ballot, the MRC shall approve the final Work Product to be provided to the Texas RE Board for action.

4.15. Action by the Texas RE Board

The Work Product submitted to the Texas RE Board for action shall be publicly posted at least seven days prior to action by the Texas RE Board. At a regular or special meeting, the Texas RE Board shall take action on the draft Regional Standard, Implementation Plan, and associated VRFs and VSLs for any approved Regional Standard. The Texas RE Board shall be provided with an informational package that includes:

- The Work Product described above in section 4.5;
- A summary of the ballot results; and
- A summary of the comments and responses that accompanied the votes and the non-binding poll on the VRFs, VSLs, and RSAW.

The Texas RE Board will consider the ballot results. The Texas RE Board will consider any advice offered by the MRC and shall take one of the following actions:

- Adopt the proposed new Regional Standard, modification to an existing Regional Standard, or retirement of the existing Regional Standard;
- Remand the proposed new Regional Standard, modification to an existing Regional Standard, or retirement of the existing Regional Standard to the MRC with comments and instructions; or
- Reject the new Regional Standard, modification to an existing Regional Standard, or retirement of the existing Regional Standard without recourse.

The Texas RE Board may only make non-substantive changes as described in section 4.12.

Upon adoption of a draft Regional Standard by the Texas RE Board, the RSM will send notification of such action of the Texas RE Board through the communication procedures and processes in effect.

4.16 Submittal to NERC

Once the Work Product is adopted by the Texas RE Board, the RSM will submit the Work Product, summary of ballot results, and summary of the comments and responses that accompanied the votes and the non-binding poll on the VRFs and VSLs to NERC staff. NERC staff will prepare the necessary materials for NERC Board adoption and subsequent petition for approval to FERC according to the NERC Standards Processes Manual.

4.17 Implementation of a Regional Standard

Once the Regional Standard, implementation plan, and VRFs and VSLs are approved by FERC, the RSM shall send notification of the Effective Date using the appropriate Texas RE distribution lists and communication procedures in effect or other means as deemed appropriate. The RSM will also notify the Texas RE Compliance Staff for integration into the Texas RE Compliance Monitoring and Enforcement Program (CMEP).

5. Maintenance of the Texas RE RSDP

Changes to the RSDP that are not made as part of a change to Texas RE's Bylaws or other corporate governance documents or processes shall begin with the preparation of a SAR and be addressed using the same procedure as a request to add, modify, or retire a Regional Standard.

The MRC has the authority to make 'minor' changes to this RSDP as deemed appropriate by the MRC and subject to the MRC voting practices and procedures then in effect. The RSM, on behalf of the MRC, shall promptly notify the Texas RE Board of such changes to this RSDP for their review and concurrence at the next Texas RE Board meeting.

6. Maintenance of Regional Standards

The RSM shall ensure that each Regional Standard is considered for review at least once every five years from its effective date or the latest revision to the Regional Standard, whichever is later. The review process may be conducted by soliciting comments from the stakeholders or, if the MRC feels it necessary, by a review team of subject matter experts. Based on the review, the RSM will recommend to the Texas RE Board that the Regional Standard be reaffirmed, revised, or retired. If the review indicates a need to revise or retire a Regional Standard, a SAR shall be prepared and submitted in accordance with this RSDP.

7. Urgent Action

Under certain conditions, the MRC may designate a proposed Regional Standard as requiring urgent action. Urgent action may be appropriate when a delay in implementing a proposed Regional Standard could materially impact reliability of the BPS. The MRC must use its judgment carefully to ensure an urgent action is truly necessary and not simply an expedient way to change or implement a Regional Standard.

An Originator shall prepare a SAR and a draft of the proposed Regional Standard and submit to the RSM. The SAR must include a justification for urgent action, risk of not implementing the proposed standard, and cost of rapid implementation on industry and customer base. The RSM submits the request to the MRC for its consideration. If the MRC designates the requested project as an urgent action item, then the RSM shall immediately post the draft for pre-ballot review. This posting requires a minimum 30-day posting period with the ballot period in the final 10 days followed by a 10-day final ballot period. The same voting procedure as detailed in Section 4 applies.

Any Regional Standard approved as an urgent action shall have a termination date specified that shall not exceed one year from the FERC approval date. Should there be a need to make the Regional Standard permanent, the standard would be required to go through the full RSDP. All urgent action Regional Standards require Texas RE Board, NERC, and FERC approval, as outlined for Regional Standards in the regular process.

Urgent actions that expire may be renewed using the urgent action process again, in the event a permanent standard is not adopted[12]. In determining whether to authorize an urgent action standard for a renewal ballot, the MRC shall consider the impact of the standard on the reliability of the BPS and whether expeditious progress is being made toward a permanent replacement standard. The MRC shall not authorize a renewal ballot if there is insufficient progress toward adopting a permanent replacement standard or if the MRC lacks confidence that a reasonable completion date is achievable. The intent is to ensure that an urgent action standard does not in effect take on a degree of permanence due to the lack of an expeditious effort to develop a permanent replacement standard. With these principles, there is no predetermined limit on the

[12] The MRC will monitor the urgent action standard and, should the need for a renewal of the urgent action standard arise, potentially take steps to renew the urgent action standard with sufficient time for NERC adoption and FERC approval.

number of times an urgent action may be renewed. However, each urgent action standard renewal shall be effective only upon approval by the Texas RE Board, and approval by Applicable Governmental Authorities.

Any person or entity, including the SDT working on a permanent replacement Regional Standard, may at any time propose an urgent action standard become a permanent standard by following the full standards process.

8. Interpretations of Regional Standards

All persons who are directly and materially affected by ERCOT's BPS reliability shall be permitted to request an interpretation of a Regional Standard. The person requesting an interpretation shall send a request to the RSM electronically using the Interpretation Request Form explaining the specific circumstances surrounding the request and what clarifications are required as applied to those circumstances. The request should indicate the material impact to the requesting party or others caused by the lack of clarity or a possibly incorrect interpretation of the Regional Standard. An interpretation is only intended to clarify or interpret requirements or attachments referenced in requirements. An interpretation is not intended to indicate compliance approaches to the requirements.

Once the interpretation request is submitted, the RSM will review the request to determine whether it meets the criteria for an interpretation. Based on its review, the RSM shall make a recommendation to the MRC on whether or not to accept the request as a project.

The MRC may take the following actions with regards to interpretations:

- Accept the interpretation request, as detailed in Section 8.1 below; or
- Reject the interpretation request as detailed in the paragraph below. The RSM, on behalf of the MRC, must respond to the person requesting the interpretation within 10 days of the rejection.

The MRC may reject the interpretation request for the following reasons:

- The request asks for a compliance approach;
- The request identifies a gap in the Regional Standard;
- The request can be addressed by an SDT of an active project;
- The request asks for clarification on an element other than the requirements;
- The request asks for something that has been addressed in the Regional Standard's record;
- The request asks for development of a new or revised Regional Standard. This should be addressed via a SAR submittal;
- The request seeks to expand the scope of the Regional Standard; or
- The meaning of a Regional Standard is clear and evident by inspection or the plain words that are written.

8.1. Process for Developing an interpretation

Upon acceptance by the MRC of an interpretation request for development, the RSM shall solicit interpretation drafting team (IDT) nominees by announcing the opening of nominations to the stakeholders in the ERCOT region. The IDT shall consist of a group of people who collectively have the necessary technical expertise and work process skills to draft the interpretation being requested in the interpretation request. Based on the nominations received, the RSM shall recommend to the MRC a balanced slate, representing multiple Sectors, if possible, for the IDT. The membership of the IDT shall not include more than one individual from any one entity. The MRC will either accept the recommendations of the RSM or modify the IDT slate.

As soon as practical, the IDT will meet to draft a written interpretation to the Regional Standard addressing the issues raised. Once completed, the Texas RE Standards Department shall review the draft interpretation to determine whether it meets the criteria for a valid interpretation. Once the criteria is met, the RSM shall provide the draft interpretation to the MRC for consideration.

The MRC, after reviewing the draft interpretation, shall determine whether to authorize posting of the draft interpretation for comment and ballot or remand the draft interpretation to the IDT for further work. Once approved for posting by the MRC, the draft interpretation shall be balloted and approved in the same manner as Regional Standards (see section 4.0).

If the draft interpretation does not pass the ballot, the RSM shall notify the MRC. Depending on the reasons for failing ballot, a SAR may be submitted. The person that requested the interpretation shall be notified.

The Interpretation shall stand until it can be incorporated into a future revision of the Regional Standard or is retired due to a future modification of the applicable Requirement.

9. Appeals

Persons who have directly and materially affected interests, as determined by the RSM, and who have been or will be adversely affected by any substantive or procedural action or inaction related to the development, approval, revision, reaffirmation, or retirement of a Regional Standard shall have the right to appeal. This appeals process applies only to this RSDP.

The burden of proof to show adverse effect shall be on the appellant. Appeals shall be made within 30 days of the date of the action purported to cause the adverse effect, except appeals for inaction, which may be made at any time. In all cases, the request for appeal must be made prior to final consideration of a Regional Standard by the Texas RE Board.

The final decisions of any appeal shall be documented in writing and made public.

The appeals process provides two levels, with the goal of expeditiously resolving the issue to the satisfaction of the participants:

Level 1 Appeal

Level 1 is the required first step in the appeals process. The appellant submits a complaint in writing to the RSM that describes the substantive or procedural action or inaction associated with the RSDP. In the complaint, the appellant must describe the actual or potential adverse impact to the appellant. Within 45 days after receipt of the complaint, the RSM, assisted by any necessary staff and MRC resources, shall prepare a written response addressed to the appellant. If the appellant accepts the response as a satisfactory resolution of the issue, both the complaint and response will be made a part of the public record associated with the Regional Standard.

Level 2 Appeal

If after the Level 1 appeal the appellant remains unsatisfied with the resolution, as indicated by the appellant in writing to the RSM, the RSM shall convene a Level 2 appeals panel. This panel shall consist of five members total appointed by the Texas RE Board. In all cases, Level 2 appeals panel members shall have no direct affiliation with the participants in the appeal.

The RSM shall post the complaint and other relevant materials and provide at least 30 days' public notice of the meeting of the Level 2 appeals panel. In addition to the appellant, any person that is directly and materially affected, as determined by the appeals panel, by the substantive or procedural action or inaction referenced in the complaint shall be heard by the panel. The panel shall not consider any expansion of the scope of the appeal that was not presented in the Level 1 appeal. The panel may in its decision find for the appellant and remand the issue to the MRC with a statement of the issues and facts regarding which fair and equitable action was not taken. The panel may find against the appellant with a specific statement of the facts that demonstrate fair and equitable treatment of the appellant and the appellant's objections. The panel may not, however, revise, approve, disapprove, or adopt a Regional Standard. The actions of the Level 2 appeals panel shall be publicly posted.

In addition to the foregoing, a procedural objection that has not been resolved may be submitted to Texas RE Board for consideration at the time the Texas RE Board decides whether to adopt a particular Regional Standard. The objection must be in writing, signed by an officer of the objecting entity, and contain a concise statement of the relief requested and a clear demonstration of the facts that justify that relief. The objection must be filed no later than 30 days after the announcement of the vote on the Regional Standard in question.

10. Field Tests

If the SDT determines a field test is appropriate for a project, the RSM shall follow a process for field tests or collection and analysis of data to validate concepts, that is consistent with the process identified in the NERC Standards Processes Manual, as may be amended. Approval for a Texas RE field test shall be obtained from the MRC with consultation from Texas RE subject matter

experts, as needed. Approval is neither required from NERC nor is there a requirement to consult NERC subject matter experts.

Appendix A – Balloting Examples

Pursuant to the Texas RE RSDP, quorum is established if at least four of the six sectors have submitted an affirmative, negative, or abstention vote. A majority vote within a Sector is determined based on the affirmative and negative votes. A Regional Standard is approved if at least two-thirds of the voting Sectors have an affirmative vote. The following are examples of potential voting scenarios. The yellow areas indicate where a Sector did not cast a vote. The green areas with **bold** numbers represent majority votes within a Sector.

Example RBB

Sector	**Number Registered in the RBB**
1. System Coordination and Planning (RC, BA, PA, or RP)	1
2. Transmission and Distribution (TO, TP, TSP, DP, TOP)	4
3. Cooperative Utility	4
4. Municipal Utility	3
5. Generation	2
6. Load-serving and Marketing	2
Totals	**16**

Example 1 – A quorum has been established with 4 of the 6 Sectors having registered an affirmative, negative, or an abstention vote. Two-thirds of the Sectors (4 of 4 voting Sectors) have voted to approve the Standard. The Standard is approved.

Example 1		Votes			
Sector	No. in Ballot Pool	Affirmative	Negative	Abstain	No Ballot
System Coordination and Planning (RC, BA, PA, or RP)	1	1	0	0	0
Transmission and Distribution (TO, TP, TSP, DP, TOP)	4	3	1	0	0
Cooperative Utility	4	4	0	0	0
Municipal Utility	3	3	0	0	0

Generation	2	0	0	0	2
Load-serving and Marketing	2	0	0	0	2
Totals	16				

Example 2 – A quorum has been established with 4 of the 6 Sectors having registered an affirmative, negative, or an abstention vote. Less than two-thirds of the Sectors (1 of 4 voting Sectors) have voted to approve the Regional Standard. The Regional Standard is NOT approved.

Example 2		Votes			
Sector	No. in Ballot Pool	Affirmative	Negative	Abstain	No Ballot
System Coordination and Planning (RC, BA, PA, or RP)	1	1	0	0	0
Transmission and Distribution (TO, TP, TSP, DP, TOP)	4	1	3	0	0
Cooperative Utility	4	0	4	0	0
Municipal Utility	3	0	3	0	0
Generation	2	0	0	0	2
Load-serving and Marketing	2	0	0	0	2
Totals	16				

Example 3 – A quorum has not been established because only 2 of the 6 Sectors have registered an affirmative, negative, or an abstention vote. The Regional Standard is NOT approved because of a lack of a quorum.

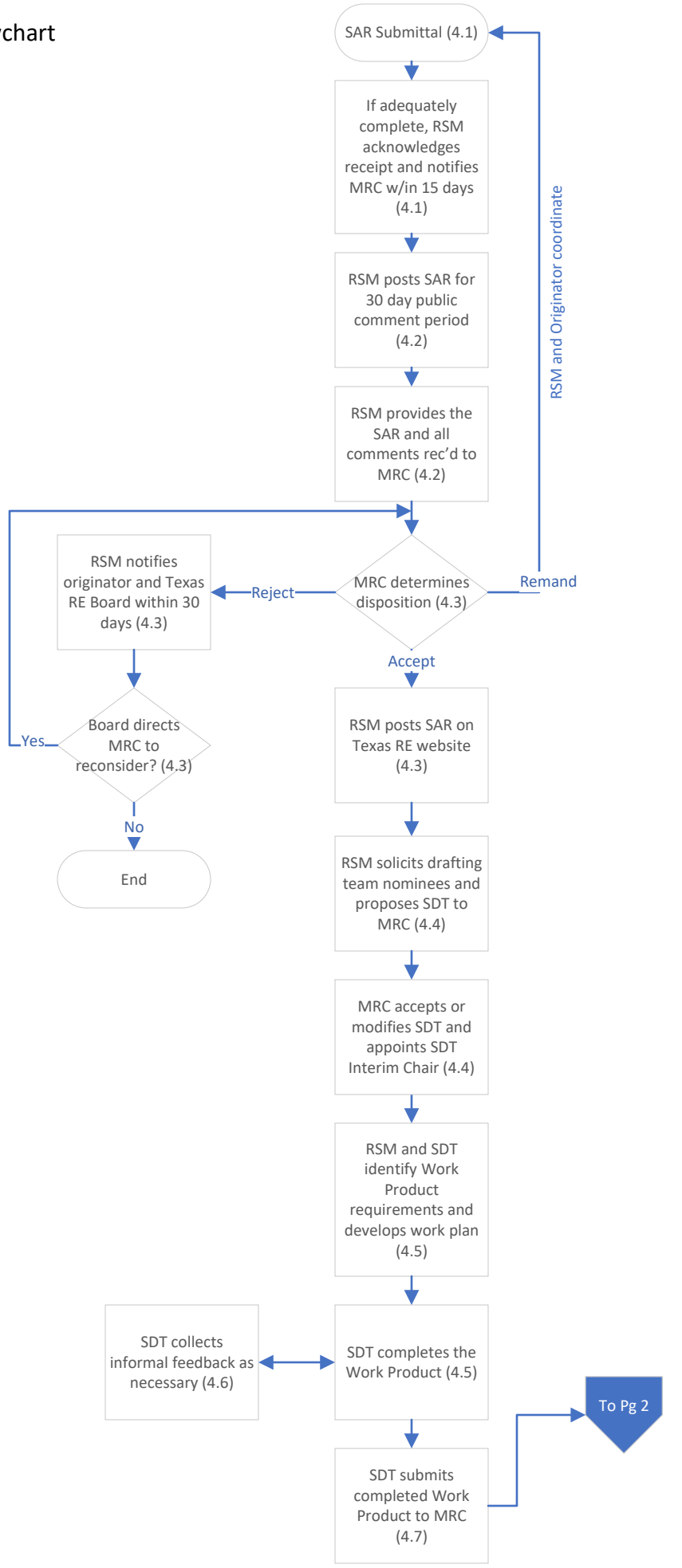
Example 3		Votes			
Sector	No. in Ballot Pool	Affirmative	Negative	Abstain	No Ballot
System Coordination and Planning (RC, BA, PA, or RP)	1	1	0	0	0
Transmission and Distribution (TO, TP, TSP, DP, TOP)	4	1	3	0	0
Cooperative Utility	4	0	0	0	4
Municipal Utility	3	0	0	0	3
Generation	2	0	0	0	2

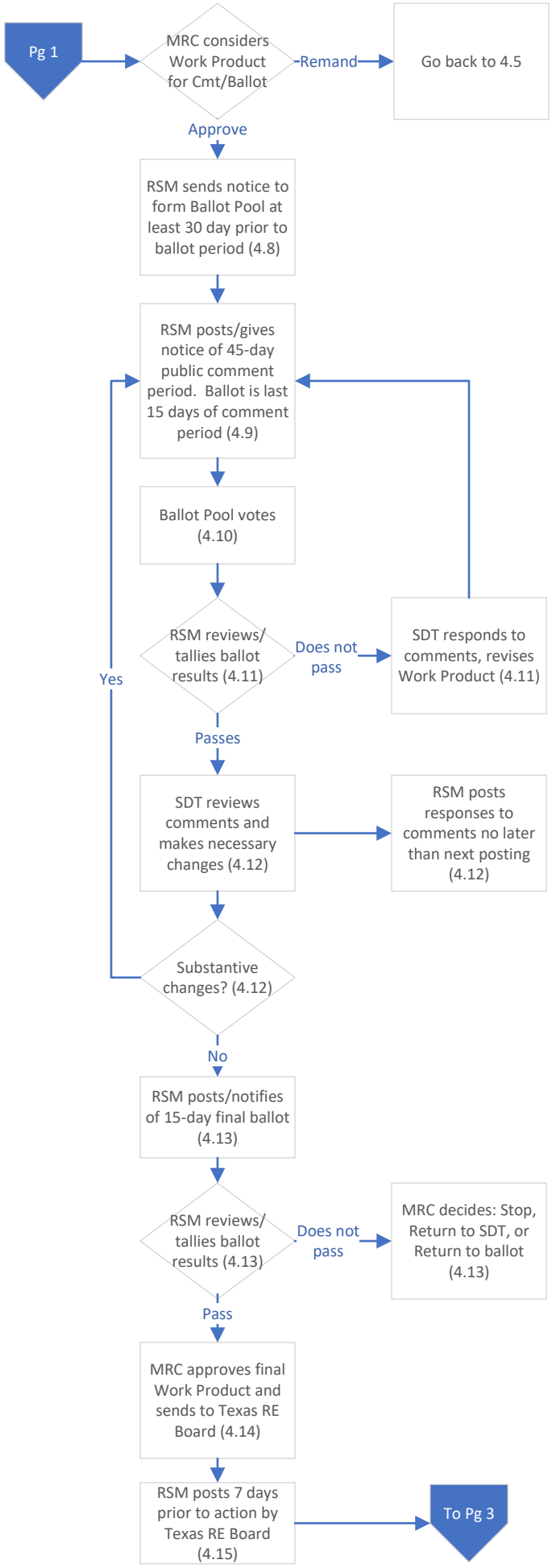
Load-serving and Marketing	2	0	0	0	2
Totals	16				

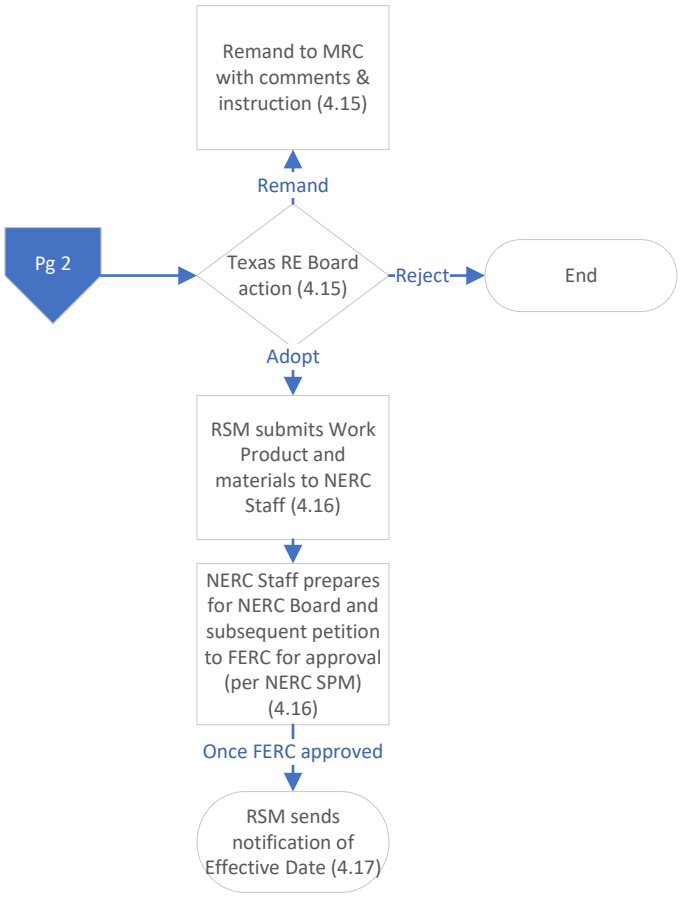
Example 4 – A quorum has been established with 5 of the 6 Segments having registered an affirmative, negative, or an abstention vote. The Standard is NOT approved because two-thirds of the Segments did not cast an affirmative vote. The Generation Sector's vote is considered negative because a majority did not cast an affirmative vote.

Example 4		Votes			
Sector	No. in Ballot Pool	Affirmative	Negative	Abstain	No Ballot
System Coordination and Planning (RC, BA, PA, or RP)	1	1	0	0	0
Transmission and Distribution (TO, TP, TSP, DP, TOP)	4	1	3	0	0
Cooperative Utility	4	2	1	0	1
Municipal Utility	3	1	2	0	0
Generation (GO, GOP)	2	1	1	0	0
Load-serving and Marketing	2	2	0	0	2
Totals	16				

Appendix B Flowchart




Pg 1
MRC considers Work Product for Cmt/Ballot
Remand
Go back to 4.5
Approve
RSM sends notice to form Ballot Pool at least 30 day prior to ballot period (4.8)
RSM posts/gives notice of 45-day public comment period. Ballot is last 15 days of comment period (4.9)
Ballot Pool votes (4.10)
RSM reviews/ tallies ballot results (4.11)
Does not pass
SDT responds to comments, revises Work Product (4.11)
Yes
Passes
SDT reviews comments and makes necessary changes (4.12)
RSM posts responses to comments no later than next posting (4.12)
Substantive changes? (4.12)
No
RSM posts/notifies of 15-day final ballot (4.13)
RSM reviews/ tallies ballot results (4.13)
Does not pass
MRC decides: Stop, Return to SDT, or Return to ballot (4.13)
Pass
MRC approves final Work Product and sends to Texas RE Board (4.14)
RSM posts 7 days prior to action by Texas RE Board (4.15)
To Pg 3


Remand to MRC with comments & instruction (4.15)
Remand
Pg 2
Texas RE Board action (4.15)
Reject
End
Adopt
RSM submits Work Product and materials to NERC Staff (4.16)
NERC Staff prepares for NERC Board and subsequent petition to FERC for approval (per NERC SPM) (4.16)
Once FERC approved
RSM sends notification of Effective Date (4.17)

Attachment 2

Revised Texas RE Regional Reliability Standards Development Process – Redline

DRAFT Texas Reliability Entity, Inc. Regional Standards Development Process

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Table of Contents

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Ensuring electric reliability for Texans

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TEXAS RE
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~~I.~~1. Introduction

~~This~~

Pursuant to the NERC Rules of Procedure and the Texas Reliability Entity, Inc. (Texas RE)/ North American Electric Reliability Corporation (NERC) Delegation Agreement, this document defines the fair and open process for adoption, approval, revision, ~~and~~ reaffirmation, and retirement of a Texas RE Regional Reliability Standard (Regional Standard) for the ERCOT ~~Region by Texas Reliability Entity, Inc. (Texas RE).~~ region. The Regional Standards Development Process (RSDP) also addresses the process for obtaining a Texas RE Regional Variance to a NERC Reliability Standard which shall be the same as the process for obtaining a Regional Standard.[1]

Regional Standards provide for the reliable regional and sub-regional planning and operation of the Bulk-Power System (BPS), consistent with ~~Good Utility Practice within a Regional Entity's (RE's) geographical footprint~~good utility practice within a Regional Entity's (RE's) geographic footprint. Regional Standards shall provide for as much uniformity as possible with NERC Reliability Standards applicable to the interconnected BPS of the North American continent. Proposed Regional Standards shall not be inconsistent with, or less stringent than established NERC Reliability Standards. A Regional Standard that satisfies the statutory and regulatory criteria for approval of proposed NERC Reliability Standards, and that is more stringent than a NERC Reliability Standard, is generally acceptable. Regional Standards provide a level of BPS reliability that is adequate to ensure the protection of public health, safety, welfare, and national security.

~~The process for obtaining a Texas RE~~

Proposed Regional ~~Variance~~Standards are subject to ~~a~~ approval by the NERC as the Electric Reliability ~~Standard~~Organization, and by the Federal Energy Regulatory Commission (FERC) before becoming mandatory and enforceable under Section 215 of the Federal Power Act. Regional Standards, when approved by FERC, shall be made part of the body of NERC Reliability Standards and shall be enforced upon all applicable registered entities within the ERCOT region.

1.1. Reliability and Market Principles

The NERC Board of Trustees has adopted ~~the same as the process for obtaining a~~NERC Reliability Principles and NERC Market Principles (collectively, NERC Principles) to define the purpose, scope, and nature of NERC Reliability Standards[2]. The NERC Principles are fundamental to reliability and the market interface and guide the development of NERC Reliability Standards. The NERC Board of Trustees may modify the NERC Principles from time to time, as necessary, to adapt its vision for NERC Reliability Standards.

Each Regional Standard shall enable or support one or more of the NERC Reliability Principles, thereby ensuring that each Regional Standard. ~~Throughout this document, where the term serves a purpose in support of reliability of the North American BPS. Each Regional Standard is used, the same process will be applied to a Regional Variance~~shall also be consistent with all

[1] Throughout this document, where the term Regional Standard is used, the same process will be applied to a Regional Variance.

[2] The latest sets of NERC Reliability Principles and NERC Market Principles are posted on NERC's website.

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of the NERC Principles, thereby ensuring that no Regional Standard undermines reliability through an unintended consequence. Persons and committees that are responsible for the RSDP shall consider these NERC Principles in the execution of those duties.

While NERC Reliability Standards are intended to promote BPS reliability, they must also accommodate competitive electricity markets. Reliability is a necessity for electricity markets, and robust electricity markets can support reliability. The intent of considering the NERC Market Principles is to ensure that Regional Standards are written to achieve their reliability objective without causing undue restrictions or adverse impacts on competitive electricity markets. Recognizing that BPS reliability and electricity markets are inseparable and mutually interdependent, all Regional Standards shall be consistent with the NERC Market Principles.

1.2. Essential Attributes of the Texas RE Regional Standards Development Process

The process for developing and approving NERC Reliability Standards is generally based on the procedures of the American National Standards Institute (ANSI) and other standards-setting organizations in the United States and Canada. Due process is the key to ensuring that stakeholders develop Regional Standards ~~are developed~~ in an environment that is equitable, accessible, and responsive to the requirements of all interested and affected parties. An open and fair process ensures that all interested and affected parties have an opportunity to participate in ~~a Regional Standard's~~the development of a Regional Standard.

Regional Standards are developed ~~Any entity (person, organization, company, government agency, individual, etc.)~~ with due consideration of the following attributes and in accordance with the steps outlined in this procedure. The process must ensure that any Regional Standard is technically sound and the technical specifications proposed would achieve a valuable reliability objective.

The RSDP has the following attributes:

- **Open** – Participation in the development of a Regional Standard shall be open to all entities that are directly and materially affected by ERCOT BPS reliability, as determined by the RSM. There shall be no undue financial barriers to participation. Participation shall not be conditioned upon membership in Texas RE and shall not be unreasonably restricted on the basis of technical qualifications or other such requirements.
- **Balanced** – The RSDP strives to have an appropriate balance of interests and shall not be dominated by any two interest categories and no single interest category shall be able to defeat a matter.
- **Inclusive** – Any entity (person, organization, company, government agency, individual, etc.) with a direct and material interest in the BPS ~~has~~in the ERCOT region shall have a right to participate by: ~~a) expressing a position and its basis, b) having that position considered, and c) having the right to appeal.~~

~~Proposed Regional Standards shall be subject to approval by North American Electric Reliability Corporation (NERC), as the electric reliability organization, and by the Federal Energy Regulatory Commission (FERC) before becoming mandatory and enforceable under Section~~

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215 of the FPA. No Regional Standard shall be effective within the Texas RE area unless filed by NERC with FERC and approved by FERC.

Regional Standards shall provide for as much uniformity as possible with reliability standards across the interconnected BPS of the North American continent. A Regional Standard shall be more stringent than a continent-wide reliability standard, including a regional difference that addresses matters that the continent-wide reliability standard does not, or shall be a regional difference necessitated by a physical difference in the BPS. A Regional Standard that satisfies the statutory and regulatory criteria for approval of proposed North American reliability standards, and that is more stringent than a continent-wide reliability standard, would generally be acceptable.

Regional Standards, when approved by FERC, shall be made part of the body of NERC reliability standards and shall be enforced upon all applicable BPS owners, operators, and users within the Texas RE area, regardless of membership in the region.

II. Background

The Texas RE may develop, through its own processes, separate Regional Standards that go beyond, add detail to, or implement NERC Reliability Standards; obtain a Regional Variance; or otherwise address issues that are not addressed in NERC Reliability Standards.

NERC Reliability Standards and Regional Standards are all to be included within the Texas RE's Compliance Program.

Regional Standards are developed consistent with the following philosophies according to the process defined within this document:

- Developed in a fair and open process that provides an opportunity for all interested parties to participate;
- Does not have an adverse impact on commerce that is not necessary for reliability;
- Provides a level of BPS reliability that is adequate to protect public health, safety, welfare, and national security and does not have a significant adverse impact on reliability; and
- Based on a justifiable difference between regions or between sub-regions within the Regional geographic area.

The NERC Board of Trustees has adopted reliability principles and market interface principles to define the purpose, scope, and nature of reliability standards. As these principles are fundamental to reliability and the market interface, these principles provide a constant beacon to guide the development of reliability standards. The NERC Board of Trustees may modify these principles from time to time, as necessary, to adapt its vision for reliability standards. Persons and committees that are responsible for the Texas RE Standards Process shall consider these NERC Principles in the execution of those duties.

NERC Reliability Standards are based on certain reliability principles that define the foundation of reliability for the North American BPS. Each Regional Standard shall enable or support one

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~~or more of the reliability principles, thereby ensuring that each Regional Standard serves a purpose in support of reliability of the North American BPS. Each Regional Standard shall also be consistent with all of the reliability principles, thereby ensuring that no Regional Standard undermines reliability through an unintended consequence.~~

~~While NERC Reliability Standards are intended to promote~~ reliability, ~~they must at the same time accommodate competitive electricity markets. Reliability is a necessity for electricity markets, and robust electricity markets can support reliability.~~ a) expressing a position and its basis,

b) having that position considered, and

c) having the right to appeal.~~Recognizing that BPS reliability and electricity markets are inseparable and mutually interdependent, all Regional Standards shall be consistent with the market interface principles. Consideration of the market interface principles is intended to ensure that Regional Standards are written such that they achieve their reliability objective without causing undue restrictions or adverse impacts on competitive electricity markets.~~

~~III. Regional Standards Definition~~

- **Fair Due Process** – The RSDP shall provide for reasonable notice and opportunity for public comment. At a minimum, the procedure shall include public notice of the intent to develop a Regional Standard, a public comment period on the proposed Regional Standard, due consideration of those public comments, and a ballot of Texas RE Standards Development Sectors described in Section 3.
- **Transparent** – All actions material to the development of Regional Standards shall be transparent. All standards development meetings shall be open and publicly noticed on the Texas RE website.
- **Timely** – The RSDP does not unnecessarily delay development of the proposed Regional Standard.

2. Regional Standard Elements

2.1. Regional Standard Description

A NERC Reliability Standard ~~defines certain~~includes a set of requirements that define specific obligations ~~or requirements~~ of entities that operate, plan, and use the BPS of North America. The ~~obligations or~~ requirements must be material to reliability and measurable. Each ~~obligation and~~ requirement shall support one or more of the stated ~~reliability principles~~ NERC Reliability Principles and shall be consistent with all of the stated ~~reliability and market interface principles~~NERC Principles.

Texas RE may develop, through its own processes: (1) Regional Standards that go beyond, add detail to, or implement NERC Reliability Standards or that cover matters not addressed in NERC Reliability Standards, and (2) Regional Variances that allow an alternative approach to meeting the same reliability objective as the NERC Reliability Standard ~~and are~~, typically necessitated by, physical or logical differences.

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The development of a Regional Standard should consider applicability, purpose, performance requirements, measurability, technical basis, completeness, consequences for noncompliance, clear language, practicality, and consistent terminology in accordance with NERC's Ten Benchmarks of an Excellent Reliability Standard.[3]

2.2. Types of Reliability Requirements

Although Regional Standards have a common format and development process, several types of reliability requirements may exist, each with a different approach to measurement:

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

2.3. Elements of a Regional Standard

To ensure uniformity, all Regional Standards shall consist of the elements identified below. These elements apply a systematic discipline in the development and revision of Regional Standards. Following this format ensures that Regional Standards are measurable, enforceable, and consistent. All mandatory requirements shall be within the Regional Standard. Supporting documents to aid in the implementation of a Regional Standard may be referenced by the Regional Standard but do not themselves contain mandatory requirements subject to compliance review.

The only enforceable parts to the Regional Standard are the Applicability, Effective Date(s), and the Requirements.

Elements –

- **Title** – A brief, descriptive phrase identifying the topic of the Regional Standard.

[3] The Ten Benchmarks of an Excellent Reliability Standard are posted on NERC's website.

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- **Number** – A unique identification number assigned in accordance with an administrative classification system to facilitate tracking and reference.
- **Purpose** – The purpose of the Regional Standard. The purpose shall explicitly state what outcome will be achieved or is expected by this Regional Standard.
- **Applicability** – Clear identification of the functional classes of registered entities responsible for complying with the Regional Standard, noting any specific additions or exceptions. If not applicable to the entire ERCOT region, this element must include a clear identification of the portion of the BPS to which the Regional Standard applies. This element should describe any limitation on the applicability of the Regional Standard based on electric facility requirements.
- **Effective Date** – The effective date of the Regional Standard or, prior to approval of the Regional Standard, the proposed effective date. Each Regional Standard shall have an associated implementation plan describing the effective date of the Regional Standard or effective dates if there is a phased implementation. The implementation plan may also describe the implementation of the Regional Standard in the compliance program and other considerations in the initial use of the Regional Standard, such as necessary tools, training, etc. The implementation plan must be posted for at least one public comment period and is approved as part of the ballot of the Regional Standard.
- **Requirements** – Explicitly stated technical, performance, and preparedness requirements. Each requirement identifies which functional class of registered entities is responsible and what action is to be performed or what outcome is to be achieved. Each statement in the requirements section shall be a statement for which compliance is mandatory.
- **Compliance Elements** –
    - **Measure(s)** – Each requirement shall be addressed by one or more measures. Measures are used to assess performance and outcomes for the purpose of determining compliance with the associated requirement(s). Each measure will identify the functional classes of registered entities to which the measure applies and the expected level of performance or outcomes required for demonstrating compliance. Each measure shall be tangible, practical, and as objective as is practical. It is important to realize that measures are proxies to assess required performance or outcomes. Achieving the measure should be a necessary and sufficient indicator that the requirement was met. Each measure shall clearly refer to the requirement(s) to which it applies.
    - **Violation Risk Factors (VRFs)** – The potential reliability significance of each requirement, designated as a High, Medium, or Lower Risk Factor.[4]
    - **Violation Severity Levels (VSLs)** – Defines the degree to which compliance with a requirement was not achieved. Each requirement must have at least one VSL. While it is preferable to have four VSLs for each requirement, some requirements do not have multiple "degrees" of noncompliant performance and may have only one, two, or three VSLs.[5]
- **Compliance Enforcement Authority** – The entity that is responsible for evaluating data or information to assess performance or outcomes.

[4] The latest set of approved VRF Criteria is posted on NERC's website.
[5] The latest set of approved VSL Criteria is posted on NERC's website.

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- **Compliance Monitoring and Enforcement Processes** – The processes that will be used to evaluate data or information for the purpose of assessing performance or outcomes.
- **Data Retention** – Measurement data retention requirements and assignment of responsibility for data archiving.
- **Additional Compliance Information** – Any other information related to assessing compliance such as the criteria or periodicity for filing specific reports.
- **Time Horizons** – An associated time horizon to differentiate requirements that involve shorter and narrower time frames (e.g., real-time operations) from those that involve longer and broader time frames (e.g., long-term planning).

2.4. Supporting Information Elements

- **Interpretation** – Any interpretation of a Regional Standard that is developed and approved in accordance with section 8 of this RSDP. An interpretation is only intended to clarify or interpret requirements or attachments referenced in requirements. An interpretation is not intended to indicate compliance approaches to the requirements.
- **Supporting References** – This section references related documents that support reasons for, or otherwise provide additional information related to, the Regional Standard. Examples include but are not limited to:
  - NERC Glossary of Terms
  - Development history of the standard and prior versions
  - Notes pertaining to implementation or compliance
  - Regional Standard references
  - Regional Standard supplements
  - Procedures
  - Practices
  - Training references
  - Technical references
  - White papers
  - Internet links to related information

~~IV.~~3. Roles in the Texas RE Regional Standards Development Process

Member Representatives Committee (MRC) – A balanced committee comprised of Texas RE members that provides advice and recommendations to the Texas RE Board of Directors (Texas RE Board) ~~regarding various issues, including reliability standards.~~Regional Standards. The MRC and its subcommittees, in coordination with the Texas RE Reliability Standards Manager~~,~~ (RSM), will review, participate in, and manage the ~~Texas RE Regional Standards Development Process, and develop Texas RE Regional Standards on a schedule as directed by NERC and as needed per the reliability related needs of the ERCOT Region. Where necessary or appropriate, the MRC and its subcommittees in coordination with the Reliability Standards Manager will review, participate in, and manage the Texas RE Regional Standards Development Process, and develop Texas RE Regional Standards or Variances on a schedule as directed by NERC and as needed per the reliability related needs of the ERCOT Region. Where necessary or appropriate, the MRC will~~RSDP. The MRC may coordinate the development of Texas RE Regional Standards ~~and Regional Variances~~ with the development of ~~national standards~~ NERC

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Reliability Standards appearing in the NERC ~~work plan~~Reliability Standards Development Plan, and the MRC will coordinate and submit comments as a group, to the extent feasible. The MRC ~~will~~may also review FERC Orders pertaining to standards and standards development activities to ensure directives are addressed in ~~regional standard~~Regional Standard development.

At any time during the development process, the MRC may exercise its authority over the RSDP by directing the SDT to move to section 4.6 and post the current Work Product for comment. Any interested entity (including the Originator and the RSM) that contends the SDT is not effectively progressing on a draft Regional Standard may notify the MRC. If any entity contends the MRC has not taken timely action regarding any requested Regional Standard, the entity may file a written complaint with the RSM, who will notify the MRC. If the MRC cannot resolve the complaint within sixty days, the complaining entity may request that its complaint be included on the RSM's report to the Texas RE Board.

The MRC will receive, consider, and vote upon requests for new or revised Regional Standards. The MRC will consider any requests for Regional Standards from parties that are directly and materially affected by the operation of the ERCOT region BPS that have first been submitted to the RSM for initial review.

The MRC's composition is described in the Texas RE Bylaws.[6]

Originator – Any person, acting as a representative of an organization that is directly and materially affected by the operation of the ERCOT region BPS ~~is~~. Originators are allowed to request that a Regional Standard be developed, or an existing Regional Standard be modified, or ~~deleted~~retired, by ~~creating~~submitting a Regional Standards Authorization Request (SAR) ~~as described in Appendix B to this document~~to the RSM.

Texas RE Board of Directors (Texas RE ~~BOD~~Board) – The Texas RE ~~BOD~~Board shall act on any proposed Regional Standard that has ~~gone through~~completed the ~~process~~RSDP. Once the Regional Standard is adopted by the NERC Board and approved by FERC, ~~compliance with~~Texas RE will enforce the Regional Standard ~~will be enforced~~ consistent with the terms of the Regional Standard.

The Texas RE Board's composition is described in the Texas RE Bylaws.[7]

Registered Ballot Body (RBB) – The Registered Ballot Body ~~is comprised of~~(RBB) comprises all entities or individuals ~~(whether or not they are Texas RE corporate members)~~ that ~~are ERCOT region BPS owners, operators, and users and~~ qualify for one of the ~~below listed~~membership Texas RE Standards Development Sectors~~,~~ and are registered ~~with the Texas RE~~ as potential ballot participants in the RSDP. Each member of the RBB is eligible to join the Ballot Pool for each Regional Standard action. Members of the RBB may belong to all Sectors for which they qualify, provided that each registered entity has a different representative for each Sector to which it belongs.

[6] The current and approved bylaws are on Texas RE's website.
[7] The current and approved bylaws are on Texas RE's website.

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Any qualified registered entity or individual may join the RBB at any time. The RSM will evaluate the RBB at the beginning of each project and, if deemed necessary, solicit new members.

Registered Ballot Pool (~~RBP~~Ballot Pool) – Each Regional Standard has its own ~~ballot pool~~Ballot Pool formed of interested members of the ~~Registered Ballot Body. Through the voting process, the RBP will ensure that the need for and technical merits of a proposed Regional Standard are appropriately considered. The RBP~~RBB. Members must join the RBB prior to joining the Ballot Pool. The Ballot Pool will ~~also ensure that appropriate consideration of views and objections are received during the development process~~vote on a particular standard action. There may not be more than one member per Sector per registered entity in the Ballot Pool.

Reliability Standards Manager (RSM) – A Texas RE employee assigned the task of ensuring that the development, revision, or ~~deletion~~retirement of Regional Standards is in accordance with ~~this document~~RSDP. The RSM works with the MRC to ensure the integrity of the process and consistency, of quality, and completeness of the Regional Standards. The RSM manages the ~~Regional Standards Development Process,~~RSDP and coordinates and facilitates all actions contained in all steps in the process including the management of the Standard Drafting Teams.

~~**Reliability**~~
Texas RE Standards ~~Staff – Employees of the~~Department – Texas RE ~~that~~employees who work with or for the Reliability Standards Manager.

Standard Drafting Team (SDT) – A team of technical experts, assigned by the MRC, ~~and typically includes~~which may include a Texas RE employee and the Originator, assigned the task of developing a proposed Regional Standard based upon an approved Standard Authorization Request (SAR) using the ~~Regional Standard Development Process~~RSDP contained in this document.

Texas RE Standards Development Sectors (Sectors) – The six (6) Texas RE Standards Development Sectors are defined as follows:

- System Coordination and Planning: An entity that is registered with NERC as a Reliability Coordinator (RC), Balancing Authority (BA), Planning Authority (PA~~), or Resource Planner (RP).~~)
- Transmission and Distribution: An entity that is registered with NERC as a Transmission Owner (TO), Transmission Planner (TP), Transmission Service Provider (TSP), Distribution Provider (DP), and/or Transmission Operator (TOP~~).~~) and is not a Cooperative or Municipal Utility.
- Cooperative ~~or~~ Utility: An entity that is (a) a corporation organized under Chapter 161 of the Texas Utilities Code or a predecessor statute to Chapter 161 and operating under that chapter; or (b) a corporation organized as an electric cooperative in a state other than Texas that has obtained a certificate of authority to conduct affairs in the State of Texas; or (c) a cooperative association organized under ~~Tex. Rev. Civ. Stat. 1396-50.01 or a predecessor to that statute and operating under that statute~~Chapter 251 of the Texas Business Organizations Code, and is registered with NERC for at least one reliability function.
- Municipal Utility: A municipally owned utility as defined in PURA §11.003 and is registered with NERC for at least one ~~registered~~reliability function.

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- Generation: An entity that is registered with NERC as a Generator Owner (GO) or Generator Operator (GOP).
- Load-Serving and Marketing: An entity that secures wholesale transmission service or is engaged in the activity of buying and selling of wholesale power in the ERCOT region on a physical or financial basis, or qualifies under any newly defined NERC ~~Function for demand response, and any entity with a direct and material interest in the ERCOT region BPS that is not eligible for membership in any other Sector~~reliability function for demand response.

~~Texas RE~~

~~V.~~4. Regional Standards Development Process

~~A. Assumptions and Prerequisites~~

~~The process for developing and approving~~ Standards is generally based on the procedures of the American National Standards Institute (ANSI) and other standards-setting organizations in the United States and Canada. The Regional Standards development process has the following characteristics:

- ~~**Due process** – Any person representing an organization with a direct and material interest has a right to participate by:~~
  - ~~a) Expressing an opinion and its basis,~~
  - ~~b) Having that position considered, and~~
  - ~~c) Appealing any negative decision~~
- ~~**Openness** – Participation is open to all organizations that are directly and materially affected by ERCOT region's BPS reliability. There shall be no undue financial barriers to participation. Participation shall not be conditioned upon membership in Texas RE, and shall not be unreasonably restricted on the basis of technical qualifications or other such requirements. Meetings of SDTs are open to all interested parties. All proposed SARs and Regional Standards are posted for comment on the Texas RE Website.~~
- ~~**Balance** – The Texas RE Standards Development Process strives to have an appropriate balance of interests and shall not be dominated by any single interest category.~~

~~B.~~ ~~*Regional Standards Development Process Steps*~~

Note: The term "days" below refers to calendar days.

~~Texas RE will~~ The RSM shall coordinate with NERC ~~such that the acknowledgement of receipt of a Regional Standard request identified in Step 1, notice of comment posting period identified in Step 4, and notice for vote identified in Step 5 below are concurrently posted on both the Texas RE and NERC websites.~~to ensure its adherence to NERC's Regional Reliability Standards Evaluation Procedure.[8]

[8] This procedure is located on NERC's website.

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~~***Step 1 – Development of a Standards Authorization Request (SAR) to Develop, Revise, or Delete a Regional Standard***~~

~~Any entity (~~

4.1. SAR Submittal

The first step in the RSDP is the submission of a SAR. As stated in section 3 above, an Originator~~) that is directly or materially impacted by the operation of the BPS (including all users, owners, and operators of the BPS and regardless of whether the entity is a Texas RE member) within the geographical footprint of Texas RE~~ may submit a SAR. The SAR may request~~, via a submittal of a Standard Authorization Request (SAR) form,~~ the development, modification, or ~~deletion~~retirement of a Regional Standard ~~or Regional Variance.~~

. Any such request shall be submitted to the ~~Texas RE RSM, or his or her designee in electronic format.~~RSM. The SAR form may be downloaded from the Texas RE ~~Website.~~

website. An acceptable SAR contains the following:

- a description of the proposed Regional Standard ~~subject matter containing sufficiently descriptive detail~~, proposed revision(s), or proposed retirement;
- information to clearly define the purpose, reliability benefit, scope, and impacted parties~~.~~; and
- other relevant information ~~of~~for the proposed Regional Standard, proposed revision(s), or proposed retirement.

The RSM ~~will~~shall verify that the submitted SAR form ~~has been~~is adequately ~~completed.~~complete to guide the development of a Regional Standard. The RSM may offer the Originator suggestions regarding changes ~~and/~~or improvements to enhance clarity of the Originator's intent and objectives. The Originator is free to accept or reject these suggestions. Within 15 days of receipt of an adequately completed SAR, the RSM will electronically acknowledge receipt of the SAR submission to the Originator and notify the MRC of its intent to post for a public comment period.

4.2. SAR Public Comment Period

The RSM ~~will~~shall post all adequately completed ~~SARs~~SAR submissions on the Texas RE ~~Website~~website for a 30-day public ~~viewing and comment. This~~ initial SAR comment period ~~shall be 15 days.~~. After this initial comment period, the RSM ~~will~~shall then ~~forward~~provide the SAR and all comments received during the 30-day public comment period to the MRC for its consideration ~~at the next regularly scheduled meeting of the~~ .

4.3. MRC~~. Within 60 days of receipt of an adequately completed SAR that has been through the initial 15-day comment period, the~~ Considers the SAR for a Standards Development Project

The MRC shall determine the disposition of the SAR ~~and, if the~~ no later than its next regularly scheduled MRC ~~deems necessary, direct the RSM~~meeting. The MRC may delay its

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determination to ~~post the revised SAR again for review and comment for another 15-day period.~~the following scheduled MRC meeting.

The disposition decision process shall use the normal ~~"~~business rules and procedures~~"~~ of the MRC then in effect.[9] The MRC may vote to take one of the following actions:

- **Accept** the SAR as a candidate for development of a new Regional Standard, revision of an existing Regional Standard, or ~~deletion~~retirement of an existing Regional Standard. The MRC may, in its sole discretion, expand or narrow the scope of the SAR under consideration.

~~• The MRC shall prioritize the development of SARs as may be required based on the number of SARs under development at any time.~~

- **Reject** the SAR. ~~If the MRC rejects a SAR,~~ by providing a written explanation for rejection ~~will be delivered~~ to the Originator within 30 days of the decision, and the Texas RE ~~BOD will also~~Board shall be notified ~~with~~of such explanation. The Texas RE ~~BOD~~Board may, at its discretion, direct the MRC to reconsider any SAR that has been rejected.

- **Remand** the SAR back to the Originator for additional work. The RSM will make reasonable efforts to assist the Originator in addressing the deficiencies identified by the MRC. The Originator may then resubmit the modified SAR using the process above. The Originator may choose to withdraw the SAR from further consideration prior to re-submittal to the MRC. There is no established limit on the number of times a SAR may be resubmitted and posted for a public comment period using the process in sections 4.1 – 4.3.

Any SAR that is accepted by the MRC for development of a Regional Standard (or modification or ~~deletion~~retirement of an existing Regional Standard) shall be posted for public viewing on the Texas RE ~~Website~~website, and ~~their~~its status will be updated as appropriate. The MRC shall prioritize the development of SARs as may be required based on the number of SARs under development at any time.

~~Any documentation of the deliberations of the MRC concerning SARs shall be made available according to normal business rules and procedures of the MRC then in effect.~~

~~Texas RE Staff~~ The RSM shall periodically (at least once per quarter) report to and inform the MRC of the status of the project including the timely completion of the Work Product as described in section 4.5. At any point in the RSDP, the SDT may request the MRC change the scope of the SAR.

The RSM shall submit a written report to the Texas RE ~~BOD~~Board on a periodic basis (at least quarterly at regularly scheduled Texas RE ~~BOD~~Board Meetings) showing the status of all SARs that have been brought to the MRC for consideration.

~~***Step 2 –***~~

[9] The current and approved MRC Procedures are on Texas RE's website.

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4.4. Formation of the Standard Drafting Team ~~*and Declaration of Milestone Date*~~(SDT)

Upon acceptance by the MRC of a SAR for development of a new Regional Standard (or modification or ~~deletion~~retirement of an existing Regional Standard), the MRC shall direct the RSM to ~~assemble a qualified balanced slate for the SDT. The RSM will~~ solicit drafting team nominees by announcing the opening of nominations to the stakeholders in the ERCOT region. The SDT shall consist of a group of people who collectively have the necessary technical expertise and work process skills to draft the ~~standard~~Regional Standard being requested in the SAR. ~~The~~ Based on the nominations received, the RSM shall recommend to the MRC a balanced slate ~~of ad hoc individuals or a pre-existing task force, work group, or similar group~~, representing multiple Sectors, if possible, for the SDT. ~~–~~The membership of the SDT shall not include more than one individual from any one registered entity.

The RSM shall submit the proposed list of names of the SDT to the MRC. The MRC shall either accept the recommendations of the RSM or modify the SDT slate, as it deems appropriate.

The RSM will ~~manage~~facilitate the SDT to ensure that the ~~Texas RE Standards Development Process~~RSDP is followed, and that the ~~team~~SDT membership receives all necessary administrative support. ~~This support typically includes a Texas RE staff member and the Originator if he/she chooses to participate.~~ The RSM may develop additional guidelines to assist the SDT, but, as a general rule, the RSM will follow the then-current NERC SDT Guidelines and associated NERC SDT procedures[10] in the management of the regional SDTs. ~~–~~The MRC shall appoint ~~the~~an SDT interim chair (should not be a Texas RE staff person). The SDT ~~will~~shall elect the permanent ~~Chair~~chair and ~~Vice~~-vice chair at its first meeting.

~~The RSM shall submit the proposed list of names of the SDT to the MRC. The MRC will either accept the recommendations of the RSM or modify the SDT slate, as it deems appropriate within 60 days of accepting a SAR for development.~~

4.5. ~~*Step 3 – Work and*~~ Work Product of the Standard Drafting Team

The ~~RSM will collaborate with the~~mission of each SDT is to develop ~~a work plan including the establishment of milestones for completing critical elements. This plan shall be delivered and reported to the MRC, and based upon this work plan, the MRC shall declare a preliminary date on which a completed draft~~an excellent, technically correct Regional Standard ~~and associated supporting documentation will be available for comment.~~that provides an adequate level of BES reliability. ~~The SDT shall~~

~~The~~ SDT is to meet, either in person or via electronic means (such as ~~Web Ex~~webinar) as necessary, establish sub-work teams or groups (made up of members of the SDT) as necessary, and ~~performs~~perform other activities to address the parameters of the SAR ~~and the milestone date(s) established~~.

~~The work product~~

For projects creating new or revising existing Regional Standards, the Work Product of the SDT ~~will~~shall consist of the following:

[10] These materials are available on NERC's website.

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- A work plan including the establishment of milestones for completing critical elements. This plan shall be delivered and reported to the MRC.
- A draft Regional Standard consistent with the SAR on which it was based.
- ~~An assessment of the impact of the SAR on neighboring regions, and appropriate input from the neighboring regions if~~ The draft Regional Standard shall contain the ~~SAR is determined to impact any neighboring region.~~elements described in section 2 and the RSDP shall adhere to the attributes described in section 1.
- An implementation plan, including the nature, extent, and duration of field-testing, if any. The implementation plan shall include:
  - The proposed effective date, or date by which entities shall be compliant with the requirements;
  - New or revised definitions, if applicable, and the effective date(s) of those definition(s); and
  - Whether there are any prerequisite actions that need to be accomplished prior to registered entities being held responsible for the requirements.
- Identification of any existing Regional Standard (or other regional criteria, protocol, or rule) that may be ~~deleted~~retired, in part or whole, or otherwise impacted by the implementation of the ~~draft~~proposed Regional Standard.
- Technical reports and/or work papers that provide technical support for the ~~draft~~ Regional Standard under consideration.
- ~~The perceived reliability impact should the Regional Standard be approved.~~
- A draft of recommended Violation Risk Factors (VRFs) and Violation Severity Levels (VSLs~~), in coordination with Texas RE staff~~) that meet the latest criteria[11] established by NERC and Applicable Governmental Authorities. The SDT may coordinate with Texas RE Standards Department to develop VRFs and VSLs.
- A draft Reliability Standard Audit Worksheet (RSAW) developed collaboratively by the SDT and Texas RE Standards Department. RSAWs are not part of the Regional Standard. A non-binding poll may be conducted for the RSAW developed through this process to gauge industry support. Results of the non-binding poll will be provided to the Texas RE Board for informational purposes.

For projects retiring a Regional Standard, the Work Product of the SDT shall consist of the following:

- A work plan including the establishment of milestones for completing critical elements. This plan shall be delivered and reported to the MRC;
- Justification for retirement;
- A mapping document showing coverage of the requirements proposed for retirement; and
- An implementation plan identifying when the Regional Standard is to be retired.

4.6. Informal Feedback

[11] NERC criteria may be found on NERC's website.

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SDTs may use a variety of methods to collect informal stakeholder feedback on preliminary drafts of its Work Product, including the use of informal comment periods, webinars, industry meetings, workshops, or other mechanisms. The various methods are intended to gather feedback during the development process, and could happen at any time, without the MRC's approval. Information gathered from informal comment periods shall be publicly posted on Texas RE's website. The SDT is not required to respond to each comment received, however, the SDT should provide a summary response that describes how it used the information gathered. Informal comment periods do not include a ballot period.

4.7. MRC Considers the Work Product for Public Comment and Ballot Period

Upon completion of ~~these tasks~~the Work Product, the SDT shall submit these documents to the MRC, ~~which~~who will verify that the proposed ~~Regional Standard~~Work Product is consistent with the SAR on which it was developed. If the MRC deems it to be appropriate, the MRC shall approve the Work Product for a public comment and ballot period for the proposed Regional Standard and implementation plan or remand the Work Product to the SDT.

4.8. Form Ballot Pool

Any member of the RBB may join the Ballot Pool prior to the 15-day ballot period. The ~~SDT~~RSM shall ~~regularly (at least once each month) report to and inform the MRC of its progress~~send a notice to every member, in ~~meeting~~ the ~~timely completion~~RBB to notify them of ~~the draft~~an opportunity to join the Ballot Pool for this Regional Standard. ~~The SDT may request~~ The notice to form the Ballot Pool must be sent at least 30 days prior to the start of the ~~MRC~~ballot period.

RBB members may join the Ballot Pool at any point ~~in the Regional Standard Development Process, and change in the scope of the SAR.~~during the process as long as a ballot period has not already begun.

~~The MRC may, at any time, exercise its authority over the Regional Standards Development Process by directing the SDT to move to Step 4 (below) and post the current work product for comment. Any interested entity (including the Originator and the RSM) that contends that the SDT is not effectively progressing on a draft standard or variance may notify the MRC. If any entity contends that the MRC has not taken timely action regarding any requested standard, the entity may file a written complaint with the RSM, who will notify the MRC. If the MRC cannot resolve the complaint within sixty days, the complaining entity may request that its complaint be included on the RSM's report to the Texas RE BOD.~~

~~***Step 4 –***~~

4.9. Public Comment ~~***Posting***~~ Period

~~At the direction from the MRC~~

Once the MRC approves the Work Product for a public comment and ballot period, the RSM shall post the ~~draft Regional Standard, VRFs, and VSLs on the Texas RE Website, along with a draft implementation plan and supporting documents,~~Work Product on the Texas RE website for a ~~30~~45-day public comment period~~.~~ with the ballot period for the Regional Standard and implementation plan occurring during the last 15 days.

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The SDT may choose to defer the posting of draft VRFs ~~and~~, VSLs, and RSAW for stakeholder comment ~~can be deferred~~ until a second or later posting of the draft ~~standard as determined by the standard drafting team; however, it is~~Work Product. It is, however, recommended that the VRFs ~~and~~, VSLs, and RSAW be posted for comment with the entire draft ~~Regional Standard~~ Work Product as early in the ~~standard development process~~RSDP as possible. A non-binding poll shall be conducted of the Ballot Pool to gauge industry support of the VRFs, VSLs, and RSAW prior to submittal of the Work Product to the Texas RE Board for approval.

The RSM shall ~~also~~ give notice of the posting ~~to all potentially interested entities inside or outside of the ERCOT region of which Texas RE is aware. The RSM will give notice~~ using the typical communication procedures in effect or other means as deemed appropriate.

4.10. Ballot Period

Prior to being eligible to vote during a ballot period, members of the RBB must join the Ballot Pool for each individual project prior to the start of the ballot period for that project.

The last 15 days of the 45-day public comment period shall be the ballot period for the proposed Regional Standard and implementation plan.

Each member of the Ballot Pool for a project may only vote one of the following positions on the ballot(s):

- Affirmative~~Within 30 days of the conclusion of the 30-day comment posting period, the SDT shall convene and consider changes to the draft Regional Standard, the implementation plan, supporting technical documents, VRFs, and/or VSLs, based upon comments received.~~
- Affirmative with comments
- Negative with comments
- Abstain
- Abstain with comments

A ballot period may include a non-binding poll for the VRFs, VSLs and RSAW. The results of this poll will be reported to the MRC and the Texas RE Board and considered by the RSM in forming its recommendations.

~~The SDT shall also prepare a formal written response to every comment received. The SDT may then elect to return to Step 3 to revise the draft Regional Standard, implementation plan, and/or supporting technical documentation. If the comments received indicate that the VRFs or VSLs should be changed to better conform to the criteria for establishing those elements, then the SDT, working with Texas RE staff, may make revisions.~~

~~The SDT shall prepare a "modification report" summarizing the comments received, the team's responses to the comments, and the changes made to the draft standard as a result of these comments. The modification report shall also summarize comments that were rejected by the SDT and the reason(s) that these comments were rejected, in part or whole. The RSM shall post responses to all comments on the Texas RE Website no later than the next posting of the revised draft standard.~~

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Step 5 – Posting for Voting by the Registered Ballot Pool

Upon recommendation of the SDT, and if the MRC concurs that all of the requirements for development of the standard have been met, the RSM shall post the proposed standard and implementation plan for ballot and the VRFs and VSLs for poll on the Texas RE Website. The RSM shall also announce the vote to approve the standard and the opportunity to provide input into the VRFs and VSLs, including when the vote will be conducted and the method for voting. Once the notice for a vote has been issued, no substantive modifications may be made to the proposed standard unless the revisions are posted and a new notice of the vote is issued.

The RSM will schedule a vote among the Registered Ballot Pool, which is to be scheduled to commence no sooner than 15 days and no later than 30 days following this posting.

The RSM shall send a notice to every entity in the Registered Ballot Body (RBB) to notify them of an opportunity to become a part of the Registered Ballot Pool for this Regional Standard or Regional Variance. Each member of the RBB will be allowed the opportunity to join a single ballot pool to participate in the determination of the approval of the Regional Standard and to provide input to the "non-binding poll" on the VRFs and VSLs associated with the Regional Standard. This notice should precede the start of the ballot by at least 30 days. The purpose of this notice is to establish a ballot pool to participate in the consensus development process and ballot the proposed action. All members of the Registered Ballot Body are eligible to participate in voting on proposed new Regional Standards, Regional Standard revisions, or Regional Standard deletions. There shall be one person designated as the primary RBB representative of each entity. Those members of the RBB that sign up for the Ballot Pool become that pool.

The Texas RE Registered Ballot Pool shall be able to vote on the proposed standard and participate in the non-binding poll on the VRFs and VSLs during a 15-day period. Votes shall be submitted electronically, or through other means as approved by the MRC.

Voting is an advisory to the Texas RE ~~BOD~~Board. The voting results shall be composed of only the votes from the ~~Registered~~ Ballot Pool members who have responded within the 15-day voting period. Votes may be accompanied by comments explaining the vote~~,~~ but are not required~~. All comments shall be responded to and posted to~~ unless the ~~Texas RE Website prior to going to the MRC or Texas RE BOD.~~vote is negative.

4.11. Ballot Results

The RSM shall review and tally the ballot results.

Quorum is established if at least four Sectors have at least one representative who submitted an affirmative, negative, or abstention vote. A majority vote within a Sector is determined based on the affirmative and negative votes. A Regional Standard passes ballot if at least two-thirds of the voting Sectors have an affirmative vote.

If a proposed Regional Standard passes ballot during the 15-day ballot period, the SDT will consider all comments received and make necessary changes to the Work Product as described in section 4.12.

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If a At least one (1) representative from four (4) of the six (6) Sectors must vote to constitute a quorum. Each Sector shall have two (2) Sector votes.

The "poll" taken on the violation risk factors and violation severity levels is "non-binding." The results of this poll will be reported to the Texas RE BOD and considered by Texas RE staff in forming its recommendations. The results of the poll are one element for the Texas RE BOD to consider when making a determination of whether to approve the compliance elements of the standards. The results of the poll do not determine whether these compliance elements are "approved." In addition, if stakeholder comments submitted with the non-binding poll indicate specific improvements that would improve consensus, then the SDT, working with Texas RE staff, will revise the VRFs and VSLs to reflect stakeholder comments before the VRFs and VSLs are submitted to the Texas RE BOD.

Step 6A – Registered Ballot Pool Voting Receives 2/3 or Greater proposed Affirmative ***Votes of the Texas RE Sectors***

If a draft Regional Standard receives 2/3 or greater affirmative votes during the 15-day voting period, the MRC will forward the Regional Standard to the Texas RE BOD for action (Step 7).

Step 6B – Registered Ballot Pool Voting Does Not Receive 2/3 Affirmative Votes of the Texas RE Sectors

If a draft Regional Standard does not receive 2/3 or greater affirmative votes pass ballot during the 15-day votingballot period, the MRC may:

- Revise the SAR on which the draft Regional Standard was based and remand the development work back to the original SDT or a newly appointed will consider all comments received and revise the Work Product accordingly. The SDT. The resulting draft Regional Standard and/or implementation plan shall be posted for a second voting period. The MRC may require a second comment period prior to a second voting period. The second posting of the draft Regional Standard, implementation plan, and supporting documentation shall be within 60 days of the MRC action. will then conduct an additional 45-day comment and 15-day ballot period. If a draft
  - There are no limits to the number of comment and ballot periods that the SDT can conduct to result in a Regional Standard receives 2/3that is clear and enforceable, to achieve a quorum, or greaterto obtain sufficient affirmative votes during the second voting period, the for approval. The MRC will forward to the Texas RE BOD for action (Step 7).

If a draft has the authority to end all further work on the proposed Regional Standard does not receive 2/3 or greaterif, in the MRC's opinion, the SDT cannot develop a Regional Standard that is within the scope of the associated SAR, is sufficiently clear to be enforceable, or cannot achieve quorum or sufficient affirmative votes for approval.

4.12. Response to Comments

Within 30 days of the conclusion of the 45-day public comment period, the SDT shall convene and consider changes to the Work Product, based upon comments received. If the SDT

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determines revisions are substantive, the SDT must conduct an additional 45-day comment and 15-day ballot period. A non-substantive revision is a revision that does not change the scope, applicability, or intent of any Requirement and includes but is not limited to things such as correcting the numbering of a Requirement, correcting the spelling of a word, adding an obviously missing word, or rephrasing a Requirement for improved clarity. If the SDT does not make revisions or only makes non-substantive revisions, the SDT shall conduct a final 15-day ballot period.

The SDT shall also prepare a formal written response to every comment received. The responses may be provided in summary form, but all comments and objections must be responded to by the SDT. If the SDT determines there should be revisions to the VRFs, VSLs, and/or RSAW, the SDT will work with Texas RE staff to make revisions.

The SDT shall prepare a "modification report" ~~during the second voting period, the MRC will refer the draft~~containing the following:

- comments received;
- the SDT's responses to the comments;
- the changes made to the draft standard as a result of these comments; and
- ballot results.

The RSM shall post responses to all comments on the Texas RE website no later than the next posting of the revised Work Product.

4.13. Conduct Final Ballot

The SDT shall conduct a final ballot when:

- The Work Product is complete;
- The proposed Regional Standard and implementation plan have passed an initial and/or additional ballot; and
- There are no additional substantive changes to be made to the ~~Texas RE BOD.~~ Work Product.

The final ballot period is 15 days. The RSM will notify the Ballot Pool of the final ballot. The SDT shall provide all previous comments received and its responses to the comments.

In the final ballot, members of the Ballot Pool may indicate a revision to their most recent vote; otherwise, their vote shall remain the same as their most recent ballot. Members of the Ballot Pool who did not respond to the prior ballot are permitted to vote in the 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.

The RSM shall review and tally the final ballot results as described in section 4.11.

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If the final ballot does not pass, the MRC may ~~also submit an assessment, opinion, and recommendations~~decide whether to end all further work on the proposed Regional Standard, return the project to the SDT for additional work, or continue holding ballots to attempt to reach consensus on the proposed Regional Standard.

~~o~~4.14.MRC Approves the Final Work Product to be Sent to the Texas RE ~~BOD (Step 7).~~Board

- Once~~Direct~~, the ~~existing SDT to reconsider or modify certain aspects of the draft~~proposed Regional Standard and/~~or~~ implementation plan~~. The resulting draft Regional Standard and/or implementation plan~~ pass the final ballot, the MRC shall ~~be posted for a second voting period. The MRC may require a second comment period prior to the second voting period. The second posting of~~approve the ~~draft Regional Standard, implementation plan, and supporting documentation shall be within 60 days of the MRC action.~~

~~o~~ ~~If a draft Regional Standard receives 2/3 or greater affirmative votes on the second voting period, the MRC will forward it~~final Work Product to be provided to the Texas RE ~~BOD~~Board for action ~~(Step 7).~~.

~~o If a draft Regional Standard does not receive 2/3 or greater affirmative votes on the second voting period, the MRC will refer the draft Regional Standard and implementation plan to the Texas RE BOD. The MRC may also submit an assessment, opinion, and recommendations to the Texas RE BOD (Step 7).~~

~~*Step 7 –*~~
4.15. Action by the Texas RE Board ~~*of Directors*~~, ~~A proposed Regional Standard and VRFs and VSLs~~

The Work Product submitted to the Texas RE ~~BOD~~Board for action shall be publicly posted at least ~~10~~seven days prior to action by the Texas RE ~~BOD~~Board. At a regular or special meeting, the Texas RE ~~BOD~~Board shall ~~consider adoption of~~take action on the draft Regional Standard, Implementation Plan, and ~~shall approve the~~ associated VRFs and VSLs for any approved Regional Standard. The Texas RE ~~BOD~~Board shall be provided with an "informational package" ~~which~~ that includes:

- ~~The draft Regional Standard and any modification or deletion of other related existing Regional Standard(s)~~
- ~~Implementation Plan (including recommending field testing and effective dates)~~
- ~~Technical Documentation supporting the draft Regional Standard~~
- ~~The VRFs and VSLs recommended by Texas RE staff~~

- The Work Product described above in section 4.5;
- A summary of the ~~vote~~ballot results; and
- A summary of the comments and responses that accompanied the votes and the non-binding poll on the VRFs, VSLs, and ~~VSLs~~RSAW.

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The Texas RE ~~BOD~~Board will consider the ballot results ~~of the voting and dissenting opinions.~~ The Texas RE ~~BOD~~Board will consider any advice offered by the MRC and ~~may~~shall take one of the following actions:

~~Approve~~

- Adopt the proposed new Regional Standard, modification to an existing Regional Standard, or retirement of the existing Regional Standard;
- Remand the proposed new Regional Standard, modification to an existing Regional Standard, or retirement of the existing Regional Standard to the MRC with comments and instructions; or
- ~~Disapprove the proposed~~Reject the new Regional Standard, modification to an existing Regional Standard, or retirement of the existing Regional Standard without recourse.

~~Under no circumstances may the~~
The Texas RE ~~BOD substantively modify the proposed Regional Standard.~~

~~Separately, the Texas RE BOD shall consider approval of the VRFs and VSLs for the Regional Standard. In making its determination, the BOD shall consider the following:~~

- ~~The MRC shall present the results of the~~Board may only make non-~~binding poll conducted and a summary of industry comments received on the final posting of the proposed VRFs and VSLs.~~substantive changes as described in section 4.12.

~~Texas RE staff shall present a set of recommended VRFs and VSLs that considers the views of the standard drafting team, stakeholder comments received on the draft VRFs and VSLs during the posting for comment process, the non-binding poll results, appropriate governmental agency rules and directives, and VRF and VSL assignments for other Regional Standards to ensure consistency and relevance across the entire spectrum of Regional Standards.~~

- ~~Once~~ ~~a Regional Standard and the associated VRFs and VSLs are approved by the Texas RE BOD, the standard and its associated compliance elements will be submitted to NERC for approval and filing with FERC.~~

~~Step 8 – Implementation of a Regional Standard~~

Upon ~~approval~~adoption of a draft Regional Standard by the Texas RE ~~BOD~~Board, the RSM will ~~notify the membership~~send notification of such action of the Texas RE ~~BOD~~Board through the ~~normal and customary membership~~ communication procedures and processes ~~then~~ in effect. ~~The RSM~~

4.16 Submittal to NERC

Once the Work Product is adopted by the Texas RE Board, the RSM will submit the Work Product, summary of ballot results, and summary of the comments and responses that accompanied the votes and the non-binding poll on the VRFs and VSLs to NERC staff. NERC staff will ~~take whatever steps are~~prepare the necessary ~~to have a Regional Standard reviewed and/or approved by NERC or any successor organization~~materials for NERC Board adoption and subsequent petition for approval to FERC according to the NERC Standards Processes Manual.

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~~C.~~ 4.17 Implementation of a Regional ~~Standards Integration~~Standard

Once the Regional Standard ~~is~~, implementation plan, and VRFs and VSLs are approved by FERC, the RSM shall ~~notify the stakeholders of the effective date~~send notification of the Effective Date using the appropriate Texas RE distribution lists and communication procedures in effect or other means as deemed appropriate. The RSM will also notify the Texas RE Compliance Staff for integration into the Texas RE Compliance Monitoring and Enforcement Program~~.~~ (CMEP).

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Appendix A – Stakeholder Representation

The Texas RE stakeholder representation for Regional Standards development is as follows:

I. Member Representatives Committee (MRC)

The Member Representatives Committee (MRC), comprised of two representatives (except for Sectors with only one member, which will have only one representative) from each of the six Texas RE Membership Sectors (System Coordination and Planning; Transmission; Generation; Cooperative Utility; Municipal Utility; Load-Serving and Marketing), is to provide balanced decision-making and due process for Regional Standards and Regional Variances. The MRC will receive, consider, and vote upon requests for new or revised Regional Standards and Regional Variances. The quorum necessary for the transaction of business at meetings of the MRC shall be the presence, in person or by proxy, of two-thirds of the voting Representatives on the MRC entitled to attend.

The MRC will consider any requests for Regional Standards or Regional Variances from parties that are directly and materially affected by the operation of the ERCOT Region BPS that have first been submitted to the RSM for initial review.

II. Texas RE Board of Directors (BOD)

Texas RE is a Texas non-profit corporation that is governed by a combination independent and balanced stakeholder board. The Texas RE Board of Directors (BOD) includes the following directors:

- Four independent directors who are independent of any ERCOT region market participant and any NERC registered entity and are nominated and elected in accordance with the requirements and procedures specified in the Texas RE Bylaws;
- Two directors from different Sectors who are selected by the Texas RE Member Representatives Committee as its chair and vice chair;
- CEO of Texas RE;
- Chairman of the Public Utility Commission of Texas (PUCT) or another PUCT Commissioner designated by the Chairman (as *ex officio* non-voting Director); and
- Texas Public Counsel from the Office of Public Utility Counsel (OPUC) or another employee of OPUC designated by Public Counsel (as *ex officio* non-voting Director).

III. Registered Ballot Body (RBB)

A Registered Ballot Body (RBB) will be comprised of representatives from all the Texas RE Standards Development Sectors, to provide balanced decision-making on Regional Standards and Regional Variances. The RBB is eligible to vote on all proposed new or revised Regional Standards or Regional Variances. The RBB requires a quorum of at least one vote from at least two-thirds of the Sectors. At all meetings, each Sector shall have one (1) Sector

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vote, and each voting entity is entitled to only one vote. Each voting entity participating in the vote, shall receive an equal fraction of its Sector's vote. A Registered Ballot Pool (RBP) will be formed for each proposed Regional Standard or Regional Variance and will be a subset of the RBB. The RBP will vote on a particular standard action.

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Appendix B – Principles, Characteristics, and Special Procedures

I. Principles

Due process is the key to ensuring that regional reliability standards are developed in an environment that is equitable, accessible and responsive to the requirements of all interested and affected parties. An open and fair process ensures that all interested and affected parties have an opportunity to participate in the development of a standard.

The Texas RE develops Regional Standards with due consideration of the following principles, in accordance with the steps outlined in this procedure. The process must ensure that any Regional Standard is technically sound and the technical specifications proposed would achieve a valuable reliability objective.

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The standards development process has the following characteristics:

- **Open** – Participation in the development of a Regional Standard shall be open to all organizations that are directly and materially affected by ERCOT BPS reliability. There shall be no undue financial barriers to participation. Participation shall not be conditioned upon membership in ERCOT, and shall not be unreasonably restricted on the basis of technical qualifications or other such requirements. Meetings of drafting teams shall be open to ERCOT members and others.

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- **Balanced** – The Texas RE Standards Development Process strives to have an appropriate balance of interests and shall not be dominated by any two interest categories and no single interest category shall be able to defeat a matter.

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- **Inclusive** – Any entity (person, organization, company, government agency, individual, etc.) with a direct and material interest in the ERCOT BPS in the Texas RE area shall have a right to participate by: a) expressing a position and its basis, b) having that position considered, and c) having the right to appeal.

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- **Fair due process** – The Texas RE Standards Development Process shall provide for reasonable notice and opportunity for public comment. At a minimum, the procedure shall include public notice of the intent to develop a standard, a public comment period on the proposed standard, due consideration of those public comments, and a ballot of interested stakeholders.
- **Transparent** – All actions material to the development of regional reliability standards shall be transparent. All standards development meetings shall be open and publicly noticed on the Texas RE Website.
- Does not unnecessarily delay development of the proposed Regional Standard.

NERC has adopted reliability principles and market interface principles to define the purpose, scope, and nature of reliability standards. These principles are to be used to guide the development of reliability standards, including regional reliability standards. The NERC Board of Trustees may modify these principles from time to time, as necessary, to adapt its vision for reliability standards.

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Each Regional Standard shall enable or support one or more of the reliability principles, thereby ensuring that each Regional Standard serves a purpose in support of the reliability of the ERCOT BPS. Each Regional Standard shall also be consistent with all of the reliability principles, thereby ensuring that no Regional Standard undermines reliability through an unintended consequence

While reliability standards are intended to promote reliability, they must at the same time accommodate competitive electricity markets. Reliability is a necessity for electricity markets, and robust electricity markets can support reliability. Recognizing that BPS reliability and electricity markets are inseparable and mutually interdependent, all Regional Standards shall be consistent with NERC's market interface principles. Consideration of the market interface principles is intended to ensure that standards are written such that they achieve their reliability objective without causing undue restrictions or adverse impacts on competitive electricity markets.

II. Regional Standard Characteristics and Elements

a. Characteristics of a Regional Standard

The following characteristics describe objectives to be considered in the development of Regional Standards:

1. **Applicability** – Each Regional Standard clearly identifies the functional classes of entities responsible for complying with the standard, with any specific additions or exceptions noted. Such functional classes include: Reliability Coordinators, Balancing Authorities, Transmission Operators, Transmission Owners, Generator Operators, Generator Owners, Transmission Service Providers, Planning Authorities, Transmission Planners, Resource Planners, and Distribution Providers. Each Regional Standard identifies the geographic applicability of the standard. A standard may also identify any limitations on the applicability of the standard based on electric facility characteristics.
2. **Reliability Objectives** – Each Regional Standard has a clear statement of purpose that describes how the standard contributes to the reliability of the ERCOT BPS.
3. **Requirement or Outcome** – Each Regional Standard states one or more requirements, which if achieved by the applicable entities, will provide for a reliable BPS, consistent with good utility practices and the public interest.
4. **Measurability** – Each performance requirement is stated so as to be objectively measurable by a third party with knowledge or expertise in the area addressed by that requirement. Each performance requirement has one or more associated measures used to objectively evaluate compliance with the requirement. If performance can be practically measured quantitatively, metrics are provided to determine satisfactory performance.

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5. **Technical Basis in Engineering and Operations** — Each Regional Standard is based upon sound engineering and operating judgment, analysis, or experience, as determined by expert practitioners in that particular field.

6. **Completeness** — Each Regional Standard is complete and self-contained. Supporting references may be provided with standards, but they are not part of the standard and do not impose mandatory requirements.

7. **Clear Language** — Each Regional Standard is stated using clear and unambiguous language. Responsible entities, using reasonable judgment and in keeping with good utility practice, are able to arrive at a consistent understanding of the required performance.

8. **Practicality** — Each Regional Standard establishes requirements that can be practically implemented by the assigned responsible entities within the specified effective date and thereafter.

9. **Consistent Terminology — To the extent possible, Regional Standards use a set of standard terms and definitions that are approved through the regional standards development procedure.**

Although Regional Standards have a common format and process, several types of standards may exist, each with a different approach to measurement:

- **Technical standards** are related to the provision, maintenance, operation, or state of electric systems, and will likely contain measures of physical parameters that are technical in nature.
- **Performance standards** are related to the actions of entities providing for or impacting the reliability of the BPS, and will likely contain measures of the results of such actions or qualities of performance of such actions.
- **Preparedness standards** are related to the actions of entities to be prepared for conditions that are unlikely to occur, but are nonetheless critical to reliability, and will likely contain measures of such preparations or the state of preparedness.

b. Elements of a Regional Standard

To ensure uniformity of regional reliability standards, a Regional Standard shall consist of the elements identified in this section of the procedure. These elements are intended to apply a systematic discipline in the development and revision of standards. This discipline is necessary to achieving standards that are measurable, enforceable, and consistent.

All mandatory requirements of a regional reliability standard shall be within the standard. Supporting documents to aid in the implementation of a standard may be referenced by the standard but are not part of the standard itself.

1.1. Table 1 – Performance Elements of a Regional Standard

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Identification Number	A unique identification number assigned in accordance with an administrative classification system to facilitate tracking and reference.
Title	A brief, descriptive phrase identifying the topic of the standard.
Applicability	Clear identification of the functional classes of entities responsible for complying with the standard, noting any specific additions or exceptions. If not applicable to the entire Texas RE area, then a clear identification of the portion of the BPS to which the standard applies. Any limitation on the applicability of the standard based on electric facility requirements should be described.
Effective Date and Status	The effective date of the standard or, prior to approval of the standard, the proposed effective date.
Purpose	The purpose of the standard. The purpose shall explicitly state what outcome will be achieved or is expected by this standard.
Requirement(s)	Explicitly stated technical, performance, and preparedness requirements. Each requirement identifies what entity is responsible and what action is to be performed or what outcome is to be achieved. Each statement in the requirements section shall be a statement for which compliance is mandatory.
Measure(s)	Each requirement shall be addressed by one or more measures. Measures are used to assess performance and outcomes for the purpose of determining compliance with the requirements stated above. Each measure will identify to whom the measure applies and the expected level of performance or outcomes required demonstrating compliance. Each measure shall be tangible, practical, and as objective as is practical. It is important to realize that measures are proxies to assess required performance or outcomes. Achieving the measure should be a necessary and sufficient indicator that the requirement was met. Each measure shall clearly refer to the requirement(s) to which it applies.

Table 2 – Compliance Elements of a Regional Standard

The following compliance elements are developed for each standard by the standard drafting team and are balloted with the regional standard:

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Compliance Monitoring Process	Defines for each measure: • **Compliance Enforcement Authority**: The entity that is responsible for evaluating data or information to assess performance or outcomes. • **Compliance Monitoring and Enforcement Processes**: The processes that will be used to evaluate data or information for the purpose of assessing performance or outcomes. • **Data Retention**: Measurement data retention requirements and assignment of responsibility for data archiving. • **Additional Compliance Information**: Any other information related to assessing compliance such as the criteria or periodicity for filing specific reports.

The following compliance elements are developed by the SDT, working with Texas RE staff, but are not considered to be part of the standard. These elements will be posted for stakeholder comment concurrent with the associated requirements as early in the standard development process as possible. The standard drafting team, working with Texas RE staff will respond to all comments received. The drafting team, working with Texas RE staff may make modifications to the Violation Risk Factors (VRFs) and Violation Severity Levels (VSLs) based on stakeholder comments.

A non-binding poll will be conducted to assess stakeholders' agreement with VRFs and VSLs. If stakeholder comments submitted with the non-binding poll indicate specific improvements that would improve consensus, then the SDT, working with Texas RE staff, will revise the VRFs and VSLs to reflect stakeholder comments.

The MRC will report the results of the poll and a summary of industry comments received on the final posting of the proposed VRFs and VSLs to the Texas RE BOD. Texas RE staff will develop for BOD approval recommended assignments of VRFs and VSLs associated with Regional Standards being presented for approval by the BOD. In developing the recommended VRF and VSL assignments, Texas RE staff will take into consideration the views of the standard drafting team, stakeholder comments received on the draft VRFs and VSLs during the posting for comment process, the non-binding poll results, regulatory directives, and VRF and VSL assignments for other Regional Standards to ensure consistency and relevance across the entire spectrum of NERC Reliability Standards.

The Texas RE BOD has the authority to approve Violation Risk Factors and Violation Severity Levels and may modify the VRF or VSL proposed by Texas RE staff.

Violation Risk Factors	The potential reliability significance of each requirement, designated as a High, Medium, or Lower Risk Factor in accordance with the criteria listed below: A High Risk Factor requirement (a) is one that, if violated, could directly cause or contribute to bulk power system instability, separation, or a cascading sequence of failures, or could place the

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	bulk power system at an unacceptable risk of instability, separation, or cascading failures; or (b) is a requirement in a planning time frame that, if violated, could, under emergency, abnormal, or restorative conditions anticipated by the preparations, directly cause or contribute to bulk power system instability, separation, or a cascading sequence of failures, or could place the bulk power system at an unacceptable risk of instability, separation, or cascading failures, or could hinder restoration to a normal condition. A Medium Risk Factor requirement (a) is a requirement that, if violated, could directly affect the electrical state or the capability of the bulk power system, or the ability to effectively monitor and control the bulk power system, but is unlikely to lead to bulk power system instability, separation, or cascading failures; or (b) is a requirement in a planning time frame that, if violated, could, under emergency, abnormal, or restorative conditions anticipated by the preparations, directly affect the electrical state or capability of the bulk power system, or the ability to effectively monitor, control, or restore the bulk power system, but is unlikely, under emergency, abnormal, or restoration conditions anticipated by the preparations, to lead to bulk power system instability, separation, or cascading failures, nor to hinder restoration to a normal condition. A Lower Risk Factor requirement is administrative in nature and (a) is a requirement that, if violated, would not be expected to affect the electrical state or capability of the bulk power system, or the ability to effectively monitor and control the bulk power system; or (b) is a requirement in a planning time frame that, if violated, would not, under the emergency, abnormal, or restorative conditions anticipated by the preparations, be expected to affect the electrical state or capability of the bulk power system, or the ability to effectively monitor, control, or restore the bulk power system.
Violation Severity Levels (VSLs)	Defines the degree to which compliance with a requirement was not achieved. Each requirement must have at least one VSL. While it is preferable to have four VSLs for each requirement, some requirements do not have multiple "degrees" of noncompliant performance and may have only one, two, or three VSLs. **Lower Violation Severity Level:** • Missing a minor element (or a small percentage) of the required performance **Moderate Violation Severity Level:** • Missing at least one significant element (or a moderate percentage) of the required performance.

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	High Violation Severity Level: • Missing more than one significant element (or is missing a high percentage) of the required performance or is missing a single vital component. **Severe Violation Severity Level:** • Missing most or all of the significant elements (or a significant percentage) of the required performance.

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1.1. Table 3 – Supporting Information Elements

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Interpretation	Any interpretation of regional reliability standard that is developed and approved in accordance with Section VI "Interpretation of Regional Standards" in Appendix B of this procedure, to expound on the application of the standard for unusual or unique situations or to provide clarifications.
Implementation Plan	Each regional reliability standard shall have an associated implementation plan describing the effective date of the standard or effective dates if there is a phased implementation. The implementation plan may also describe the implementation of the standard in the compliance program and other considerations in the initial use of the standard, such as necessary tools, training, etc. The implementation plan must be posted for at least one public comment period and is approved as part of the ballot of the standard.
Supporting References	This section references related documents that support reasons for, or otherwise provide additional information related to the regional reliability standard. Examples include, but are not limited to: • Glossary of terms • Developmental history of the standard and prior versions • Notes pertaining to implementation or compliance • Regional Standard references • Regional Standard supplements • Procedures • Practices • Training references • Technical references • White papers • Internet links to related information

III. 5. Maintenance of the Texas RE Regional Standards Development ProcessRSDP Significant changes

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Changes to this process whichthe RSDP that are not made as part of a Texas RE request for an amendment to the Delegation Agreementchange to Texas RE's Bylaws or other corporate governance c h a n g e s documents or processes shall begin with the preparation of a SAR and be addressed using the same procedure as a request to add, modify, or deleteretire a Regional Standard.

The MRC has the authority to make 'minor' changes to this processRSDP as deemed appropriate by the MRC and subject to the MRC voting practices and procedures then in effect. The RSM,

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on behalf of the MRC, shall promptly notify the Texas RE BODBoard of such changes to this processRSDP for their review and concurrence at the next Texas RE BODBoard meeting.

IV. 6. Maintenance of Regional Standards

The RSM shall ensure that each Regional Standard is reviewed considered for review at least once every five years from theits effective date of the Standard or the latest revision to the Regional Standard, whichever is the later. The review process shallmay be conducted by soliciting comments from the stakeholders. If no changes are warranted or, if the MRC feels it necessary, by a review team of subject matter experts. Based on the review, the RSM shallwill recommend to the Texas RE BODBoard that the Regional Standard be reaffirmed., revised, or retired. If the review indicates a need to revise or deleteretire a Regional Standard, a SAR shall be prepared and submitted in accordance with the standards development process contained in this processthis RSDP.

V. 7. Urgent Action

Under certain conditions, the MRC may designate a proposed Regional Standard or revision to a standard as requiring urgent action. Urgent action may be appropriate when a delay in implementing a proposed standard or revisionRegional Standard could materially impact reliability of the BPS. The MRC must use its judgment carefully to ensure an urgent action is truly necessary and not simply an expedient way to change or implement a Regional Standard.

An originatorOriginator shall prepare a SAR and a draft of the proposed standardRegional Standard and submit to the RSM. The standard requestSAR must include a justification for urgent action, risk of not implementing the proposed standard, and cost of rapid implementation on industry and customer base. The RSM submits the request to the MRC for its consideration. If the MRC designates the requested standard or revisionproject as an urgent action item, then the RSM shall immediately post the draft for pre-ballot review. This posting requires a minimum 30-day posting period beforewith the ballot and appliesperiod in the final 10 days followed by a 10-day final ballot period. The same voting procedure as detailed in Step 6Section 4 applies.

Any Regional Standard approved as an urgent action shall have a termination date specified that shall not exceed one year from the FERC approval date. Should there be a need to make the standard Regional Standard permanent, the standard would be required to go through the full Regional Standard Development Process.RSDP. All urgent action standardsRegional Standards require Texas RE BODBoard, NERC, and FERC approval, as outlined for standardsRegional Standards in the regular process.

Urgent actions that expire may be renewed using the urgent action process again, in the event a permanent standard is not adopted[12]. In determining whether to authorize an urgent action standard for a renewal ballot, the MRC shall consider the impact of the standard on the reliability

[12] The MRC will monitor the urgent action standard and, should the need for a renewal of the urgent action standard arise, potentially take steps to renew the urgent action standard with sufficient time for NERC adoption and FERC approval.

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of the BPS and whether expeditious progress is being made toward a permanent replacement standard. The MRC shall not authorize a renewal ballot if there is insufficient progress toward adopting a permanent replacement standard or if the MRC lacks confidence that a reasonable completion date is achievable. The intent is to ensure that an urgent action standard does not in effect take on a degree of permanence due to the lack of an expeditious effort to develop a permanent replacement standard. With these principles, there is no predetermined limit on the number of times an urgent action may be renewed. However, each urgent action standard renewal shall be effective only upon approval by the Texas RE ~~BOD~~Board, and approval by ~~applicable governmental authorities~~Applicable Governmental Authorities.

Any person or entity, including the ~~drafting team~~SDT, working on a permanent replacement ~~standard~~Regional Standard, may at any time ~~submit a standard request proposing that~~propose an urgent action standard become a permanent standard by following the full standards process.

~~VI.~~ 8. Interpretations of Regional Standards

All persons who are directly and materially affected by ERCOT's BPS reliability shall be permitted to request an interpretation of a Regional Standard ~~or Regional Variance (collectively referred to as Regional Standard).~~ The person requesting an interpretation shall send a request to the RSM electronically, using the Interpretation Request Form, explaining the specific circumstances surrounding the request and what clarifications are required as applied to those circumstances. The request should indicate the material impact to the requesting party or others caused by the lack of clarity or a possibly incorrect interpretation of the ~~standard~~Regional Standard. An interpretation is only intended to clarify or interpret requirements or attachments referenced in requirements. An interpretation is not intended to indicate compliance approaches to the requirements.

~~The~~
Once the interpretation request is submitted, the RSM ~~shall assemble~~will review the request to determine whether it meets the criteria for an interpretation. Based on its review, the RSM shall make a ~~team~~ recommendation to the MRC on whether or not to accept the request as a project.

The MRC may take the following actions with ~~the relevant~~regards to interpretations:

- Accept the interpretation request, as detailed in Section 8.1 below; or
- Reject the interpretation request as detailed in the paragraph below. The RSM, on behalf of the MRC, must respond to the person requesting the interpretation within 10 days of the rejection.

The MRC may reject the interpretation request for the following reasons:

- The request asks for a compliance approach;
- The request identifies a gap in the Regional Standard;
- The request can be addressed by an SDT of an active project;
- The request asks for clarification on an element other than the requirements;
- The request asks for something that has been addressed in the Regional Standard's record;
- The request asks for development of a new or revised Regional Standard. This should be addressed via a SAR submittal;

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- The request seeks to expand the scope of the Regional Standard; or

The meaning of a Regional Standard is clear and evident by inspection or the plain words that are written.

8.1. Process for Developing an interpretation

Upon acceptance by the MRC of an interpretation request for development, the RSM shall solicit interpretation drafting team (IDT) nominees by announcing the opening of nominations to the stakeholders in the ERCOT region. The IDT shall consist of a group of people who collectively have the necessary technical expertise ~~to address the clarification. The Interpretation Drafting Team (IDT) typically consists of members~~and work process skills to draft the interpretation being requested in the interpretation request. Based on the nominations received, the RSM shall recommend to the MRC a balanced slate, representing multiple Sectors, if possible, for the IDT. The membership of the IDT shall not include more than one individual from ~~the original SDT. The RSM shall submit the proposed list of names of the IDT to the MRC.~~any one entity. The MRC will either accept the recommendations of the RSM or modify the IDT slate.

As soon as practical ~~(not more than 45 days),~~ the ~~team~~IDT will meet to draft a written interpretation to the Regional Standard addressing the issues raised. Once ~~the IDT has completed a draft interpretation to the Regional Standard addressing only the issues raised, the team will forward~~, the Texas RE Standards Department shall review the draft interpretation to ~~the RSM. The RSM will forward~~ determine whether it meets the criteria for a valid interpretation. Once the criteria is met, the RSM shall provide the draft interpretation to the ~~Texas RE Chief Executive Officer. The Chief Executive Officer shall assess if the inclusion of the interpretation lessens the measurability of the Regional Standard. Barring receipt of an opinion from the Chief Executive Officer within 21 days, that the interpretation lessens measurability or is not technically appropriate for the Regional Standard, the RSM shall forward the interpretation to the MRC. The MRC shall determine if the interpretation is consistent with the Regional Standard. The RSM, on behalf of the MRC, shall forward the interpretation to the Texas RE BOD for informational purposes as being appended to the approved Regional Standard.~~MRC for consideration.

~~Note: In the event that the Chief Executive Officer determines that measurability is lessened, the Chief Executive Officer shall provide an explanation of his/her reasoning to the RSM and IDT for inclusion in a subsequent revision. In either case, the IDT and RSM will continue to re-circulate the interpretation as stated above.~~

~~The Interpretation~~

The MRC, after reviewing the draft interpretation, shall determine whether to authorize posting of the draft interpretation for comment and ballot or remand the draft interpretation to the IDT for further work. Once approved for posting by the MRC, the draft interpretation shall be balloted and approved in the same manner as Regional Standards (see section 4.0).

If the draft interpretation does not pass the ballot, the RSM shall notify the MRC. Depending on the reasons for failing ballot, a SAR may be submitted. The person that requested the interpretation shall be notified.

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The Interpretation shall stand until ~~such time as the Regional Standard is revised through the normal process, at which time~~it can be incorporated into a future revision of the Regional Standard ~~will be modified to incorporate the clarifications provided by the interpretation~~or is retired due to a future modification of the applicable Requirement.

~~VII.~~ 9. Appeals

Persons who have directly and materially affected interests, as determined by the RSM, and who have been or will be adversely affected by any substantive or procedural action or inaction related to the development, approval, revision, reaffirmation, or ~~withdrawal~~retirement of a Regional Standard shall have the right to appeal. This ~~Appeals Process~~appeals process applies only to this ~~Regional Standards Process.~~RSDP.

The burden of proof to show adverse effect shall be on the appellant. Appeals shall be made within 30 days of the date of the action purported to cause the adverse effect, except appeals for inaction, which may be made at any time. In all cases, the request for appeal must be made prior to ~~the next step in the process~~final consideration of a Regional Standard by the Texas RE Board.

The final decisions of any appeal shall be documented in writing and made public.

The ~~Appeals Process~~appeals process provides two levels, with the goal of expeditiously resolving the issue to the satisfaction of the participants:

Level 1 Appeal

Level 1 is the required first step in the appeals process. The appellant submits a complaint in writing to the RSM that describes the substantive or procedural action or inaction associated with ~~Regional Standard or~~ the ~~Regional Standards Process. The appellant describes in~~RSDP. In the complaint, the appellant must describe the actual or potential adverse impact to the appellant. ~~Assisted~~Within 45 days after receipt of the complaint, the RSM, assisted by any necessary staff and ~~committee~~MRC resources, ~~the RSM~~ shall prepare a written response addressed to the appellant ~~as soon as practical, but not more than 45 days after receipt of the complaint~~. If the appellant accepts the response as a satisfactory resolution of the issue, both the complaint and response will be made a part of the public record associated with the Regional Standard.

Level 2 Appeal

If after the Level 1 ~~Appeal~~appeal the appellant remains unsatisfied with the resolution, as indicated by the appellant in writing to the RSM, the RSM shall convene a Level 2 ~~Appeals Panel.~~appeals panel. This panel shall consist of five members total appointed by the Texas RE ~~BOD~~Board. In all cases, Level 2 ~~Appeals Panel Members~~appeals panel members shall have no direct affiliation with the participants in the appeal.

The RSM shall post the complaint and other relevant materials and provide at least 30 ~~days~~days' public notice of the meeting of the Level 2 ~~Appeals Panel.~~appeals panel. In addition to the appellant, any person that is directly and materially affected, as determined by the appeals panel,

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by the substantive or procedural action or inaction referenced in the complaint shall be heard by the panel. The panel shall not consider any expansion of the scope of the appeal that was not presented in the Level 1 ~~Appeal~~appeal. The panel may in its decision find for the appellant and remand the issue to the MRC with a statement of the issues and facts ~~in regard to~~regarding which fair and equitable action was not taken. The panel may find against the appellant with a specific statement of the facts that demonstrate fair and equitable treatment of the appellant and the appellant's objections. The panel may not, however, revise, approve, disapprove, or adopt a Regional Standard. The actions of the Level 2 ~~Appeals Panel~~appeals panel shall be publicly posted.

In addition to the foregoing, a procedural objection that has not been resolved may be submitted to Texas RE ~~BOD~~Board for consideration at the time the Texas RE ~~BOD~~Board decides whether to adopt a particular Regional Standard. The objection must be in writing, signed by an officer of the objecting entity, and contain a concise statement of the relief requested and a clear demonstration of the facts that justify that relief. The objection must be filed no later than 30 days after the announcement of the vote on the Regional Standard in question.

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Appendix C – Regional Standard Authorization Request Form

The tables below provide a representative example of information in a Regional Standard Authorization Request (SAR). The RSM shall be responsible for implementing and maintaining the applicable form as needed to support the information requirements of the Texas RE Standards Process. The latest version of the form will be downloadable from the Texas RE's Standards Development Web page.

Standard Authorization Request

Texas RE to complete

10. Field Tests

If the SDT determines a field test is appropriate for a project, the RSM shall follow a process for field tests or collection and analysis of data to validate concepts, that is consistent with the process identified in the NERC Standards Processes Manual, as may be amended. Approval for a Texas RE field test shall be obtained from the MRC with consultation from Texas RE subject matter experts, as needed. Approval is neither required from NERC nor is there a requirement to consult NERC subject matter experts.

Appendix A – Balloting Examples

Pursuant to the Texas RE RSDP, quorum is established if at least four of the six sectors have submitted an affirmative, negative, or abstention vote. A majority vote within a Sector is determined based on the affirmative and negative votes. A Regional Standard is approved if at least two-thirds of the voting Sectors have an affirmative vote. The following are examples of potential voting scenarios. The yellow areas indicate where a Sector did not cast a vote. The green areas with **bold** numbers represent majority votes within a Sector.

Example RBB

ID Sector	Number Registered in the RBB
Authorized for Posting 1. System Coordination or RP)	
Authorized for Development 2. Transmission and Distribution (TO, TP, TSP, DP, TOP)	4

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3. Cooperative Utility	4
4. Municipal Utility	3
5. Generation	2
6. Load-serving and Marketing	2
Totals	**16**

Example 1 – A quorum has been established with 4 of the 6 Sectors having registered an affirmative, negative, or an abstention vote. Two-thirds of the Sectors (4 of 4 voting Sectors) have voted to approve the Standard. The Standard is approved.

Title of Proposed Regional Standard: Example 1		Votes			
Request Date: Sector	No. in Ballot Pool	Affirmative	Negative	Abstain	No Ballot
System Coordination and Planning (RC, BA, PA, or RP)	1	1	0	0	0
Transmission and Distribution (TO, TP, TSP, DP, TOP)	4	3	1	0	0
Cooperative Utility	4	4	0	0	0
Municipal Utility	3	3	0	0	0
Generation	2	0	0	0	2
Load-serving and Marketing	2	0	0	0	2
Totals	16				

SAR Originator Information

Example 2 – A quorum has been established with 4 of the 6 Sectors having registered an affirmative, negative, or an abstention vote. Less than two-thirds of the Sectors (1 of 4 voting Sectors) have voted to approve the Regional Standard. The Regional Standard is NOT approved.

Name: Example 2	SAR Type (Check one box.)	Votes

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Company: Sector	No. in Ballot Pool	New Regional Standard Affirmative	Negative	Abstain	No Ballot
Telephone: System Coordination and Planning (RC, BA, PA, or RP)	1	Revision to Existing Regional Standard 1	0	0	0
Fax: Transmission and Distribution (TO, TP, TSP, DP, TOP)	4	Withdrawal of Existing Regional Standard 1	3	0	0
Email: Cooperative Utility	4	Urgent Action 0	4	0	0
Municipal Utility	3	0	3	0	0
Generation	2	0	0	0	2
Load-serving and Marketing	2	0	0	0	2
Totals	16				

Example 3 – A quorum has not been established because only 2 of the 6 Sectors have registered an affirmative, negative, or an abstention vote. The Regional Standard is NOT approved because of a lack of a quorum.

Example 3		Votes			
	Purpose (Describe the purpose of the proposed regional reliability standard – what the standard will achieve in support of reliability.)				
Sector	No. in Ballot Pool	Affirmative	Negative	Abstain	No Ballot

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System Coordination and Planning (RC, BA, PA, or RP)	1	1	0	0	0
Transmission and Distribution (TO, TP, TSP, DP, TOP)	4	1	3	0	0
Cooperative Utility	4	0	0	0	4
Municipal Utility	3	0	0	0	3
Generation	2	0	0	0	2
Load-serving and Marketing	2	0	0	0	2
Totals	16				

Example 4 – A quorum has been established with 5 of the 6 Segments having registered an affirmative, negative, or an abstention vote. The Standard is NOT approved because two-thirds of the Segments did not cast an affirmative vote. The Generation Sector's vote is considered negative because a majority did not cast an affirmative vote.

~~**Industry Need** (Provide a detailed statement justifying the need for the proposed regional reliability standard, along with any supporting documentation.)~~ Example 4		Votes			
Sector	No. in Ballot Pool	Affirmative	Negative	Abstain	No Ballot
System Coordination and Planning (RC, BA, PA, or RP)	1	1	0	0	0
Transmission and Distribution (TO, TP, TSP, DP, TOP)	4	1	3	0	0
Cooperative Utility	4	2	1	0	1
Municipal Utility	3	1	2	0	0
Generation (GO, GOP)	2	1	1	0	0
Load-serving and Marketing	2	2	0	0	2
Totals	16				

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Brief Description (Describe the proposed regional reliability standard in sufficient detail to clearly define the scope in a manner that can be easily understood by others.)

Reliability Functions

The Regional Standard will Apply to the Following Functions *(Check all applicable boxes.)*		
☐	Reliability Coordinator	The entity that is the highest level of authority who is responsible for the reliable operation of the BPS, has the Wide Area view of the BPS, and has the operating tools, processes and procedures, including the authority to prevent or mitigate emergency operating situations in both next-day analysis and real-time operations. The Reliability Coordinator has the purview that is broad enough to enable the calculation of Interconnection Reliability Operating Limits, which may be based on the operating parameters of transmission systems beyond any Transmission Operator's vision.
☐	Balancing Authority	The responsible entity that integrates resource plans ahead of time, maintains load-interchange-generation balance within a Balancing Authority Area, and supports Interconnection frequency in real time.
☐	Planning Authority	The responsible entity that coordinates and integrates transmission facility and service plans, resource plans, and protection systems.
☐	Transmission Service Provider	The entity that administers the transmission tariff and provides Transmission Service to Transmission Customers under applicable transmission service agreements.
☐	Transmission Owner	The entity that owns and maintains transmission facilities.
☐	Transmission Operator	The entity responsible for the reliability of its "local" transmission system, and that operates or directs the operations of the transmission facilities.
☐	Transmission Planner	The entity that develops a long-term (generally one year and beyond) plan for the reliability (adequacy) of the interconnected bulk power transmission systems within its portion of the Planning Authority Area.
☐	Resource Planner	The entity that develops a long-term (generally one year and beyond) plan for the resource adequacy of specific loads (customer demand and energy requirements) within a Planning Authority Area.
☐	Generator Operator	The entity that operates generating unit(s) and performs the functions of supplying energy and Interconnected Operations Services.
☐	Generator Owner	Entity that owns and maintains generating units.
☐	Distribution Provider	Provides and operates the "wires" between the transmission system and the customer.

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Reliability and Market Interface Principles

Applicable Reliability Principles *(Check all boxes that apply.)*	
☐	1. Interconnected BPSs shall be planned and operated in a coordinated manner to perform reliably under normal and abnormal conditions as defined in the NERC Standards.
☐	2. The frequency and voltage of interconnected BPSs shall be controlled within defined limits through the balancing of real and reactive power supply and demand.
☐	3. Information necessary for the planning and operation of interconnected BPSs shall be made available to those entities responsible for planning and operating the systems reliably.
☐	4. Plans for emergency operation and system restoration of interconnected BPSs shall be developed, coordinated, maintained, and implemented.
☐	5. Facilities for communication, monitoring, and control shall be provided, used, and maintained for the reliability of interconnected BPSs.
☐	6. Personnel responsible for planning and operating interconnected BPSs shall be trained, qualified, and have the responsibility and authority to implement actions.
☐	7. The security of the interconnected BPSs shall be assessed, monitored, and maintained on a wide-area basis.
Does the proposed Regional Standard comply with all of the following Market Interface Principles? *(Select 'yes' or 'no' from the drop-down box.)*	
Recognizing that reliability is an Common Attribute of a robust North American economy:	
1. A reliability standard shall not give any market participant an unfair competitive advantage.	Yes
2. A reliability standard shall neither mandate nor prohibit any specific market structure.	Yes
3. A reliability standard shall not preclude market solutions to achieving compliance with that standard.	Yes
4. A reliability standard shall not require the public disclosure of commercially sensitive information. All market participants shall have equal opportunity to access commercially non-sensitive information that is required for compliance with reliability standards.	Yes

Detailed Description (Provide enough detail so that an independent entity familiar with the industry could draft a standard based on this description.)

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Related Standards

Standard No.	Explanation

Related SARs

SAR ID	Explanation

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Appendix D – Texas RE Standards Development Process Diagram

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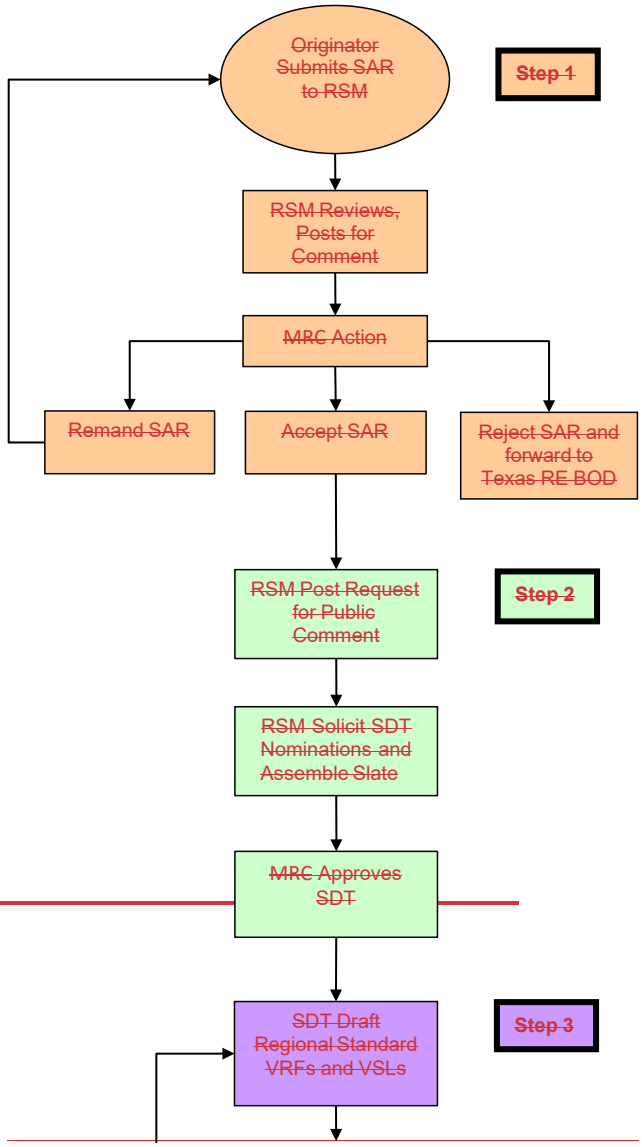

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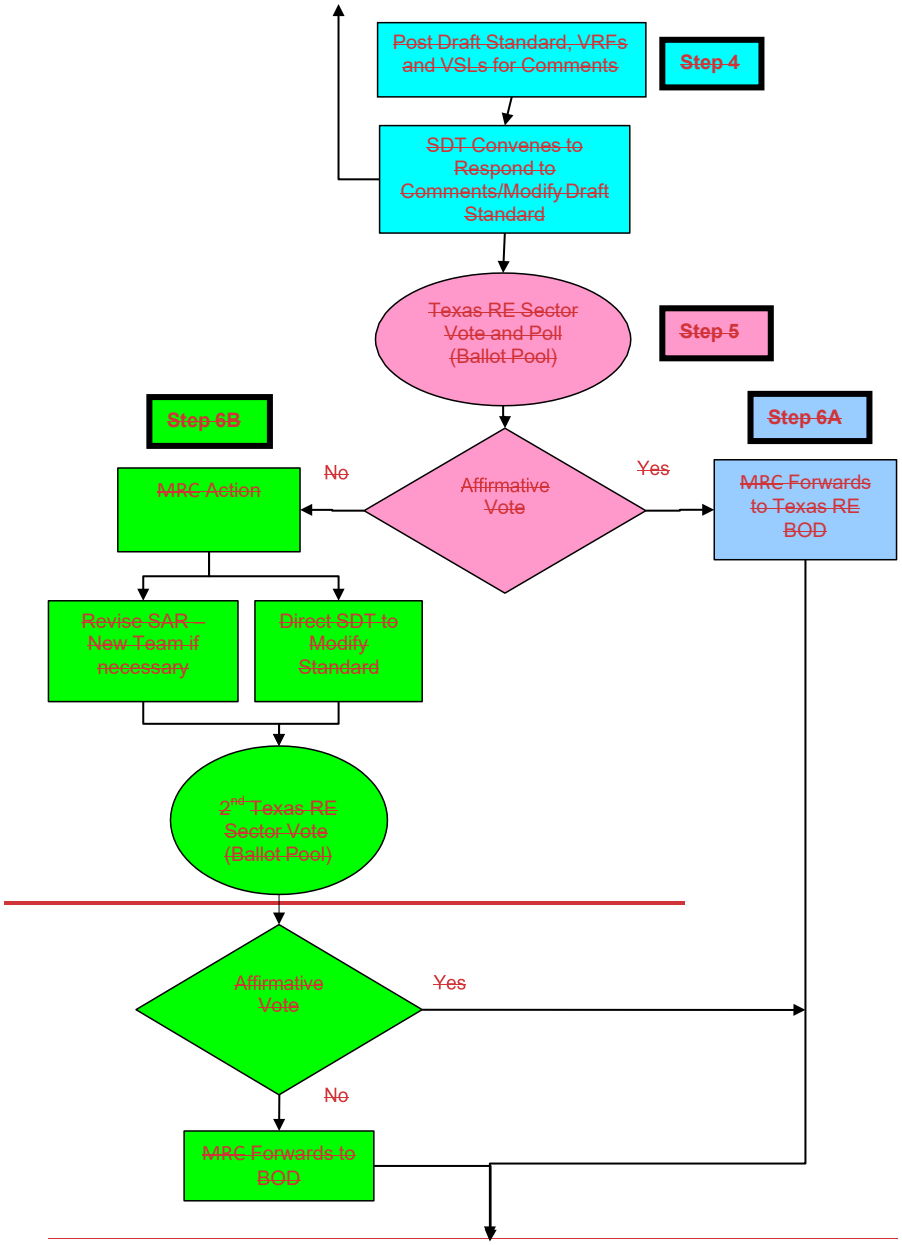

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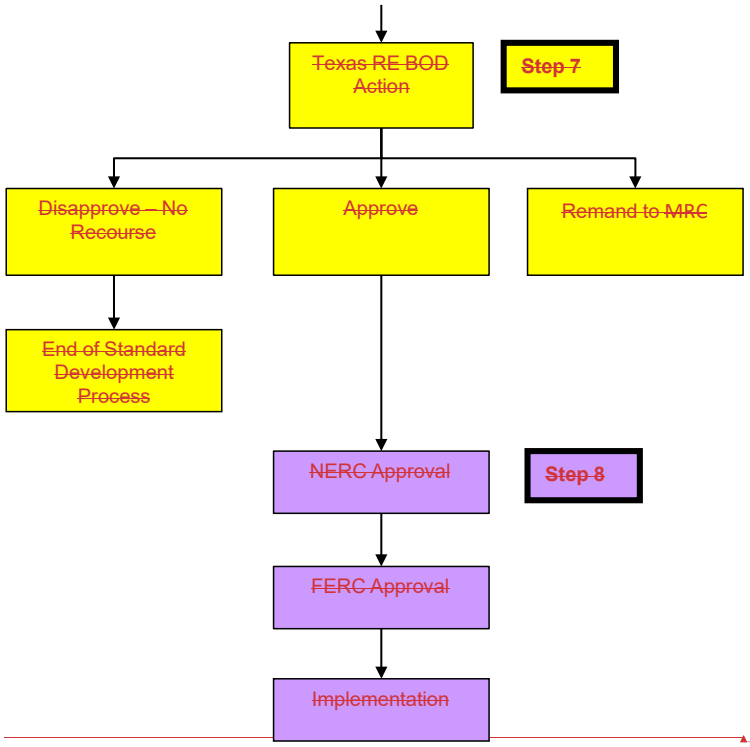

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Attachment 3

Revised Texas RE Regional Reliability Standards Development Process – Summary of Changes

TEXAS RE
Ensuring electric reliability for Texans

Proposed Texas RE Regional Standard Development Process Changes

General Changes

- Changed the formatting to a numbered format

Proposed SDP Section	SDP Version that was approved May 2017 Section	Description	Rationale
Title	Title	Revised the title to include "Regional"	This better describes the document.
1. Introduction	I. Introduction II. Background	Merged the Background section with the Introduction section.	This makes it cleaner by consolidating like items.
1.1 Reliability and Market Principles.	II. Background	Moved the last three paragraphs of the previous Background section to section 1.1 Reliability and Market Principles.	These paragraphs describe NERC Principles and their role in the Regional Standards development.
1.2 Essential Attributes	Appendix B I. Principles	Moved Principles from Appendix B I. to section 1.2 and renamed it Essential Attributes	This makes it cleaner by consolidating like items. This is consistent with the NERC Standards Processes Manual (SPM) section 1.4.
1.2 Essential Attributes	Appendix B I. Principles	Revised the sentence "Open – Participation is open to all organizations that are directly and materially affected by ERCOT region's BPS reliability" to "Participation in the development of a Regional Standard shall be open to all entities that are directly and materially affected by ERCOT BPS reliability, as determined by the RSM."	This change makes it clear that the RSM will determine entities that are directly and materially affected by ERCOT BPS reliability.
2.1 Regional Standard Description	Appendix B II a Characteristics of a Regional Standard	Added a sentence in section 2.1 Regional Standard Description to reference NERC's Ten Benchmarks of an Excellent Reliability Standard.	This change makes the document more concise and references existing language on NERC's website, which is similar to the Characteristics of a Regional Standard.

Proposed SDP Section	SDP Version that was approved May 2017 Section	Description	Rationale
2.2 Types of Reliability Requirements	Appendix B II a Characteristics of a Regional Standard	Revised from Technical standards, Performance standards, and preparedness standards to Performance-based Requirements, Risk-based Requirements, and Capability-based Requirements	This is consistent with the SPM section 2.4.
2.3 Elements of a Regional Standard	Appendix B II b Elements of a Regional Standard	Created its own section for Elements of a Regional Standard. Revised this section to be consistent with the NERC SPM section 2.5. Consolidated Tables 1 and 2 of Appendix B II b. Incorporated the information from Table 3 (Supporting Information Elements) Added "The only Enforceable parts to the Regional Standard are the Applicability, Effective Date(s), and the Requirements." Revised the definitions of VRFs and VSLs to match the SPM. Reference the criteria documents NERC maintains. Added footnotes that the latest versions of the VRFs and VSLs are on NERC's website. Removed the text after Table 2 as it is simply describing the process, which is described in greater detail in Section 4.	These changes make the document cleaner and are consistent with the SPM section 2.5.

Proposed SDP Section	SDP Version that was approved May 2017 Section	Description	Rationale
		Added a description for Time Horizons.	
3. Roles in the Texas RE Regional Standards Development Process	IV. Roles in the Texas RE Regional Standards Development Appendix A I. Member Representatives Committee	Removed the composition of the MRC and made a note that it is described in the Texas RE Bylaws. Changed "The MRC will also review FERC Orders…" to "The MRC may also review FERC Orders…"	These changes make the document more concise and more clear and adding consistency to other Texas RE documents. This allows for the option of the MRC reviewing FERC Orders.
3. Roles in the Texas RE Regional Standards Development Process	IV. Roles in the Texas RE Regional Standards Development	In the MRC description, removed "and develop Texas RE Regional Standards on a schedule as directed by NERC and as needed per the reliability related needs of the ERCOT region". Revised "Where necessary or appropriate, the MRC may" Changed "work plan" to Reliability Standards Development Plan.	This part of the sentence is duplicative of the one below. Explained that the MRC may coordinate with NERC's Reliability Standards Development Plan. The Reliability Standards Development Plan is an official document created by NERC for a two year look forward of development of NERC Reliability Standards.
3. Roles in the Texas RE Regional Standards Development Process	Appendix A II. Texas RE Board of Directors	Changed the acronym from BOD to Texas RE Board. Removed the composition Texas RE Board and made a note that it is described in the Texas RE Bylaws.	This is consistent with the Texas RE Bylaws.

Proposed SDP Section	SDP Version that was approved May 2017 Section	Description	Rationale
3. Roles in the Texas RE Regional Standards Development Process	Appendix A III Registered Ballot Body	Revised the description of the Registered Ballot Body (RBB). Expanded the RBB description to make the distinction between the RBB and the Ballot Pool.	The previous RBB description did not make the distinction between the RBB and the Ballot Pool. This change makes the distinction more clear.
3. Roles in the Texas RE Regional Standards Development Process	IV. Roles in the Texas RE Regional Standards Development	Changed Reliability Standards staff to Texas RE Standards Department.	The term Texas RE Standards Department is a more accurate description of the staff.
3. Roles in the Texas RE Regional Standards Development Process	IV. Roles in the Texas RE Regional Standards Development	Revised the Texas RE Standards Development Sectors to match the Texas RE Bylaws.	The revisions to the sector descriptions adds consistency to the Texas RE Bylaws.
4. Regional Standards Development Process	V. B, Regional Standards Development Process Steps	Renamed section from “Regional Standards Development Process Steps” to “Regional Standards Development Process”	The Steps were replaced with section 4.
4. Note	V. B. Regional Standards Development Process	Revised the Note to indicate that Texas RE will ensure it is following NERC’s Regional Reliability Standards Evaluation Procedure.	This puts the SDT and the RSM on notice that the NERC document should be followed.
4.1 SAR Submittal	V. B. Step 1 Development of a Standards Authorization Request (SAR) to Develop, Revise, or Delete a Regional Standard	Added provision to notify MRC of receipt of the SAR and intent to post for a public comment period.	This provides the MRC will notice that a SAR was submitted.

Proposed SDP Section	SDP Version that was approved May 2017 Section	Description	Rationale
4.2 SAR Public Comment Period	V. B. Step 1 Development of a Standards Authorization Request (SAR) to Develop, Revise, or Delete a Regional Standard	Broke out the various sections of this process step: 4.1 SAR Submittal, 4.2 SAR Public Comment Period, 4.3 MRC Considers the SAR for a Standards Development Project	Goal was to clearly show the steps taken instead of several steps being described in each section.
4.2 SAR Public Comment Period	V. B. Step 1 Development of a Standards Authorization Request (SAR) to Develop, Revise, or Delete a Regional Standard	Changed the SAR public posting period from 15 days to 30 days.	30 days provides more time to provide meaningful comments.
4.3 MRC Considers the SAR for a Standards Development Project	V. B. Step 1 Development of a Standards Authorization Request (SAR) to Develop, Revise, or Delete a Regional Standard	Revised the requirement that the MRC determine disposition of the SAR within 60 days of the initial comment period to determining disposition at its next regularly scheduled meeting with the option of delaying disposition if necessary.	This provides flexibility if the next regularly scheduled MRC meeting is not within 60 days of the initial SAR comment period.
4.3 MRC Considers the SAR for a Standards Development Project	V. B. Step 3 Work and Work Product of the Standard Drafting Team	Moved the sentence regarding periodic updates from the RSM to the MRC on the status of the project. Revised from “at least once each month” to “at least once per quarter”.	Moving the sentence so the RSM is on notice of the periodic updates to the MRC earlier in the process. Revised from monthly updates to quarterly updates since the MRC is scheduled to meet quarterly.
4.3 MRC Considers the SAR for a Standards Development Project	V. B. Step 1 Development of a Standards Authorization Request (SAR) to Develop, Revise, or Delete a Regional Standard	Moved the sentence regarding a written report to the Texas RE Board on a periodic basis to earlier in the process.	Moving the sentence so the RSM is on notice of the periodic updates to the MRC earlier in the process.

Proposed SDP Section	SDP Version that was approved May 2017 Section	Description	Rationale
4.4 Formation of the Standard Drafting Team (SDT)	V. B. Step 2 Formation of the Standard Drafting Team and Declaration of Milestone Date	Removed "and Declaration of Milestone Date" from the title of the section.	This provides flexibility for the SDT and MRC as milestone dates may not be known at this point in the process.
4.4 Formation of the Standard Drafting Team (SDT)	V. B. Step 2 Formation of the Standard Drafting Team and Declaration of Milestone Date	Removed the requirement for the MRC to accept or modify the SDT slate within 60 days of accepting the SAR for development.	This allows flexibility for the MRC if the 60 days cannot be met. The expectation is that this will be timely.
4.5 Work and Work Product of the Standard Drafting Team	V. B. Step 3 Work and Work Product of the Standard Drafting Team	Moved sentence about providing a work plan to the MRC from the first paragraph of this section and added work plan as a part of the work product.	This change organizes the document better.
4.5 Work and Work Product of the Standard Drafting Team	V. B. Step 3 Work and Work Product of the Standard Drafting Team	Removed the MRC declaring a preliminary date for posting the work product as it would be very difficult to pin down a date at this state.	It would be very difficult to pin down a preliminary date. The purpose of the work plan, however, is to keep the SDT on track with the project.
4.5 Work and Work Product of the Standard Drafting Team	V. B. Step 3 Work and Work Product of the Standard Drafting Team	Removed "An assessment of the impact of the SAR on neighboring regions, and appropriate input from the neighboring regions if the SAR is determined to impact any neighboring region".	The SPM does not have this.
4.5 Work and Work Product of the Standard Drafting Team	V. B. Step 3 Work and Work Product of the Standard Drafting Team	Removed "the perceived reliability impact should the Regional Standard be approved"	This would be a challenge to determine. The NERC SPM does not include this.
4.5 Work and Work Product of the Standard Drafting Team	V. B. Step 3 Work and Work Product of the Standard Drafting Team	Added more information regarding Implementation Plans.	This is more consistent with the SPM section 4.4.3.

Proposed SDP Section	SDP Version that was approved May 2017 Section	Description	Rationale
4.5 Work and Work Product of the Standard Drafting Team	None	Added draft Reliability Standard Audit Worksheet (RSAW) to the list of items in the Work Product.	Since the RSAW needs to be done for standards, it seemed logical to add it to the list of items in the Work Product. The previous SDP did not address RSAWs and RSAWs are integral to compliance with Regional Standards.
4.5 Work and Work Product of the Standard Drafting Team	V. B. Step 3 Work and Work Product of the Standard Drafting Team	Added a section specific to retiring a Regional Standard.	The work product for a new or revised standard is different than the work product for retiring a Regional Standard.
4.6 Informal Feedback	None	This is a new section	This is consistent with the SPM section 4.5 and allows for SDT to solicit informal feedback if it feels necessary.
4.7 MRC Considers the Work Product for a Public Comment and Ballot Period	V. B. Step 4 Comment Posting Period and Step 5 Posting for Voting by the Registered Ballot Pool	Broke out MRC approval for posting into its own section. Moved the description of the MRC exercising authority to the MRC description in the Roles section.	This make it clear there is an action to be taken.
4.8 Form Ballot Pool	V.B. Step 5 Posting for Voting by the Registered Ballot Pool	Specified that any member of the RBB may join the Ballot Pool at any time, as long as it is prior to the ballot period (different than NERC). This is to allow flexibility with our Ballot Pools.	This makes it clear there is an action to be taken. The is more consistent with the SPM section 4.8.
4.9 Public Comment Period	V. B. Step 4 Comment Posting Period	Revised from having a 30-day comment period to a 45-day comment period with a ballot in the last 15 days.	This is consistent with the SPM section 4.7. This allows for a ballot to take place prior to the SDT meeting and discussing the comments.

Proposed SDP Section	SDP Version that was approved May 2017 Section	Description	Rationale
4.9 Public Comment Period	None	Added a paragraph describing when to post the VRFs, VSLs, and RSAWs.	This explains that the VRFs, VSLs, and RSAW may not be ready for posting when the initial draft of the Regional Standard is posted.
4.9 Public Comment Period	V. B. Step 4 Comment Posting Period	Removed "inside or outside of the ERCOT region of which Texas RE is aware".	Leaves the process open and flexible without specifying who gets notice of the posting.
4.10 Ballot Period	V. B. Step 5 Posting for Voting by the Registered Ballot Pool	Added the voting positions: Affirmative, Affirmative with comments, Negative with comments, Abstain, Abstain with comments.	Adding voting positions is consistent with the NERC SPM. Added the position, Abstain with comments, to more accurately reflect that a Ballot Pool member may submit an abstention vote and include comments that will be reviewed by the SDT.
4.10 Ballot Period	V. B. Step 5 Posting for Voting by the Registered Ballot Pool	Removed information regarding the results of the non-binding poll and approving compliance elements. Changed the RSDP to not require a separate approval of compliance elements.	This is consistent with the SPM. The Elements will all be part what is publicly posted.
4.10 Ballot Period	V. B. Step 5 Posting for Voting by the Registered Ballot Pool	Revised the paragraph regarding a non-binding poll for VRFs and VSLs. Included RSAWs and explained that the results would be reported to the MRC and Texas RE Board.	This makes the process more concise.
4.11 Ballot Results	V. B. Steps 5, 6A, and 6B	Added a Ballot Results section, which describes quorum, how the ballot passes, and the MRC's options if it does not pass.	This makes it clear there is an action to be taken.

Proposed SDP Section	SDP Version that was approved May 2017 Section	Description	Rationale
4.11 Ballot Results	None	Added language from NERC SPM 4.12 about MRC stopping the process at any time. There is no limit to the amount of additional comment and ballot period. Removed the paragraphs describing the MRC requiring revisions to the SAR and additional comment and ballot periods.	More consistent with the SPM section 4.12. Provides the SDT and MRC more flexibility.
4.12 Response to Comments	V. B. Step 4 Comment Posting Period	Added a Response to Comments Section. This content was previously in Step 4.	This makes it clear there is an action to be taken.
4.12 Response to Comments	None	Added a description of non-substantive revisions and the actions permitted to take. Added additional 45-day ballot period if the revisions are substantive.	This adds clarity and is consistent with the NERC SPM section 4.12.
4.12 Response to Comments	None	Added Ballot Results to the list of what must be included in the modification report.	Since the process is changed, this specifies that the Ballot Results will be part of the packet to the MRC and Texas RE Board.
4.12 Response to Comments	V. B. Step 4 Comment Posting Period	Added a few sentences describing the difference between substantive and non-substantive changes.	This addition clarifies what the SDT should do depending on the nature of the revision. This is consistent with the NERC SPM.
4.13 Conduct Final Ballot	None	This section is new.	This is consistent with the NERC SPM and describes when a final ballot will take place. The difference is that Texas

Proposed SDP Section	SDP Version that was approved May 2017 Section	Description	Rationale
			RE's final ballot period is 15 days and NERC's is 10 days.
4.14 MRC Approves the final work project to the be sent to the Board	V. B. Step 6A Registered Ballot Pool Voting Receives 2/3 or Greater Affirmative Votes of the Texas RE Sectors.	Step 6A is captured in 4.14. Step 6B is captured in 4.11, since the ballot process changed.	This is consistent with the SPM section 4.15
4.15 Action by the Texas RE Board	V. B. Step 7 Action by the Texas RE Board of Directors	Changed "shall be publicly posted at least 10 days prior to action by the Texas RE Board" to "shall be publicly posted at least seven days prior to action by the Texas RE Board"	This is consistent with the Texas RE Bylaws, which states that Board materials shall be posted seven days prior to the meeting.
4.15 Action by the Texas RE Board	V. B. Step 7 Action by the Texas RE Board of Directors	Specified that the Texas RE Board is taking action on the Regional Standard, Implementation Plan, and associated VRFs and VSLs. Condensed the informational package to include the Work Product, summary of ballot results, summary of comments and responses that accompanied the votes and non-binding poll on the VRFs, VSLs, and RSAW.	This makes the process more clear and concise.
4.15 Action by the Texas RE Board	V. B. Step 7 Action by the Texas RE Board of Directors	Changed approve to adopt. Changed disapprove to reject.	This is consistent with the NERC SPM where the NERC Board adopts Reliability Standards.
4.15 Action by the Texas RE Board	V. B. Step 7 Action by the Texas RE Board of Directors	Removed the paragraphs specifically discussing VRFs and VSLs	VRFs and VSLs are specified in 4.15.

Proposed SDP Section	SDP Version that was approved May 2017 Section	Description	Rationale
4.16 Submittal to NERC	V. B. Step 7 Action by the Texas RE Board of Directors	Broke out a separate section for submitting the information to NERC once the standard is adopted by the Texas RE Board. Stated that the NERC staff will prepare the necessary materials for NERC Board adoption and subsequent petition for approval to FERC according to the NERC Standards Processes Manual.	This makes it clear that the RSM is taking an action and sending information to NERC. Also wanted to indicate what occurs after submitting the information to NERC.
4.17 Implementation of a Regional Standard	V. B. Step 8 Implementation of a Regional Standard	Consolidated Regional Standard Integration with Implementation of a Regional Standard. Reworked first paragraph. Send notification of Texas RE Board action and FERC approval and effective dates.	This makes the process more clear and concise.
5. Maintenance of Texas RE RSDP	Appendix B III. Maintenance of the Texas RE Regional Standards Development Process	Revised to clarify that SAR will be submitted for changes to the RSDP and follow the same procedure as a request to add, modify, or retire a Regional Standard	This change adds clarity that the same process will be used for adding, modifying, or retiring a Regional Standard.
6. Maintenance of Regional Standards	Appendix B IV. Maintenance of Regional Standards	Changed “Regional Standard is reviewed at least every five years” to “Regional Standard is considered for review at least once every five years”	This revision allows for flexibility if there are circumstances for which a review every five years is inappropriate.
6. Maintenance of Regional Standards	Appendix B IV. Maintenance of Regional Standards	Added that the MRC may deem it necessary to form a review team to conduct the review.	This allows flexibility for the MRC.
7. Urgent Action	Appendix B V. Urgent Action	Revised the section to say the SAR must include justification for urgent action, risk of not implementing the proposed standard, and	This is so the SAR will provide more information to the MRC.

Proposed SDP Section	SDP Version that was approved May 2017 Section	Description	Rationale
		cost of rapid implementation on industry and customer base.	
7. Urgent Action	Appendix B V. Urgent Action	Revised to say there will be a 30-day comment period with voting in last 10 days, followed by a 10-day final ballot period.	This change is to be consistent with the voting procedure in section 4.
7. Urgent Action	Appendix B V. Urgent Action	Added footnote 13 to indicate that the MRC will monitor the urgent action standard and renew it with enough time for FERC approval.	The intent is to lessen the chance of a gap between renewing the urgent action standard and FERC approval of the renewal.
8. Interpretations of Regional Standards	Appendix B VI. Interpretations of Regional Standards	Added the actions the MRC may take regarding interpretations. Added the reasons the MRC may reject an interpretation request. Added a subsection (8.1) describing the interpretation process, which is similar to the process for developing or revising a standard.	This is consistent with the NERC SPM and provides more detail regarding interpretations.
8.1 Process for Developing an Interpretation	Appendix B VI. Interpretations of Regional Standards	Revised the last sentence from “The interpretation shall stand until such time as the Regional Standard is revised through the normal process, at which time the Regional Standard will be modifed to incorporate the clarifications provided by the interpretation” to The Interpretation shall stand until it can be incorporated into a future revision of the Regional Standard or is retired due to a future modification of the applicable Requirement.	The new verbiage is consistent with the NERC SPM Section 7.2.3.
9. Appeals	Appendix B VII Appeals	Added “as determined by the RSM” to the first sentence.	This clarifies that the RSM will determined who has direct and material

Proposed SDP Section	SDP Version that was approved May 2017 Section	Description	Rationale
			interests and therefore who has the right to appeal.
9.1 Level 1 Appeal	Appendix B VII Appeals	Removed “Regional Standard” from the second sentence.	Section 9. Appeals states that the appeals process only applies to the RSDP and not the Regional Standard itself.
9.2 Level 2 Appeal	Appendix B VII Appeals	Added “as determined by the appeals panel” to the phrase directly and materially affected.	This clarifies that the appeals panel will determine who is directly and materially ffect and therefore can be heard by the panel.
10. Field Tests	None.	This is a new section. It is modeled after WECC’s Field Test section, which says it will conduct field tests according to the NERC SPM.*	Provides a method for conducting field tests.
Appendix A – Balloting Examples	None	Added a section with examples for balloting and tallying the ballots.	This provides clarify on how ballots are tallied.
Appendix B - Flowchart	Appendix D – Texas RE Standards Development Process Diagram	Revised to match proposed changes in the process.	The flowchart should match the process described in section 4.