NERC

NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION

Standard Processes Manual

~~Revision 1~~

VERSION 3

The proposed revisions to the Standard Processes Manual result primarily from the following recommendations of the Standards Process Input Group (SPIG):

Recommendation 1: American National Standards Institute

NERC should continue to meet the minimum requirements of the ANSI process to preserve ANSI accreditation.

Recommendation 2: Reliability Issues Steering Committee (RISC)

[Assigned to SPIG to develop draft mandate/scope for RISC.]

Recommendation 3: Interface with Regulatory and Governmental Authorities

[Assigned to NERC Management.]

Recommendation 4: Standards Product

- *The Board is encouraged to require that the standards development process address:*
  - *The use of RBS;*
  - *Cost effectiveness of standards and standards development; and*
  - *The retirement of standards that are no longer needed to meet an adequate level of reliability.*

Recommendation 5: Standards Development Process and Resources

The Board is encouraged to require the standards development process be revised to improve timely, stakeholder consensus in support of new or revised reliability standards. The Board is also encouraged to require standard development resources to achieve and address:

- *Formal and consistent project management*
- *Efficient formation and composition of SDTs*

Effective: ~~August 25, 2011~~

Rationale: Section numbers and a version number have been inserted to provide ease of reference

Table of Contents

Listed below is a brief overview of the proposed revisions to the Standard Processes Manual incorporated herein. Sections that are not listed were not substantively changed.

- **Section 3.0**: Revised drafting team composition to incorporate SPIG recommendation to include lawyers and compliance experts.
- **Section 4.0:** Streamlined commenting and balloting process, including:
  - Provisions for providing summary responses to comments and the elimination of the obligation to respond in writing at every stage of the comment process;
  - Elimination of negative votes without comments in the calculation of consensus;
  - Provisions to allow for quality reviews to be conducted in parallel with standard development
- **Section 7.0**: Incorporated guidance regarding the appropriate role and scope of Interpretations, to be consistent with guidance from the NERC Board of Trustees.
- **Section 13.0:** Revised to reduce the requirement for periodic review to be consistent with ANSI minimum requirements.
- **Section 16 (new):** Incorporation of a waiver provision to allow for modifications to the standards development process for good cause.

Section 1.0: Introduction

1.1: Authority

This manual is published by the authority of the NERC Board of Trustees. The Board of Trustees, as necessary to maintain NERC's certification as the Electric Reliability Organization ~~(~~("ERO~~),~~"), may file the manual with Applicable Governmental Authorities for approval as an ERO document. When approved, the manual is appended to and provides implementation detail in support of the ERO Rules of Procedure Section 300 — Reliability Standards Development.

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

1.2: Scope

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

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

1.3: Background

NERC is a nonprofit corporation formed for the purpose of becoming the North American ERO. NERC works with all stakeholder segments of the electric industry, including electricity users, to develop Reliability Standards for the reliability planning and Reliable Operation of the North American Bulk Power Systems. In the United States, the Energy Policy Act of 2005 added Section 215 to the Federal Power Act for the purpose of establishing a framework to make Reliability Standards mandatory for all Bulk Power System owners, operators, and users. Similar authorities are provided by Applicable Governmental Authorities in Canada. NERC was certified as the ERO effective July 2006. *North American Electric Reliability Corp.*, 116 FERC ¶ 61,062, *order on reh'g and compliance*, 117 FERC ¶ 61,126 (2006), *order on compliance*, 118 FERC ¶ 61,030 (2007).

1.4: Essential Attributes of NERC's Reliability Standards Processes

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

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

- ***Balance***

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

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

- ***Coordination and harmonization with other American National Standards activities***
  NERC is committed to resolving any potential conflicts between its Reliability Standards development efforts and existing American National Standards and candidate American National Standards.

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

- ***Transparency***
  The process shall be transparent to the public.

- ***Consideration of views and objections***
  Drafting teams shall give prompt consideration to the written views and objections of all participants~~, providing individualized written responses to those commenting during formal comment periods and those commenting as part of the balloting process.~~ as set forth herein. Drafting teams shall make an effort to resolve each objection that is related to the topic under review.

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

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

  - A quorum, which is established by at least 75% of the members of the ballot pool submitting a response ~~with an affirmative vote, a negative vote, or an abstention; and~~excluding unreturned ballots; and

- A two-thirds majority of the weighted Segment votes cast shall be affirmative. The number of votes cast is the sum of affirmative and negative votes, excluding abstentions ~~and~~, non-responses~~.~~, and negative votes without comments.

Timeliness

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

- ***Metric Policy***

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

Section 2.0: Elements of a Reliability Standard

2.1: Definition of a Reliability Standard

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

> "Reliability Standard" means a requirement to provide for Reliable Operation of the Bulk Power System, including without limiting the foregoing, requirements for the operation of existing Bulk Power System Facilities, including cyber security protection, and including the design of planned additions or modifications to such Facilities to the extent necessary for Reliable Operation of the Bulk Power System~~;~~, but ~~shall~~the term does not include any requirement to enlarge Bulk Power System Facilities or to construct new transmission capacity or generation capacity[1]~~.~~. A Reliability Standard shall not be effective in the United States until approved by the Federal Energy Regulatory Commission and shall not be effective in other jurisdictions until made or allowed to become effective by the Applicable Governmental Authority. *See* Appendix 2 to the NERC Rules of Procedure, Definitions Used in the Rules of Procedure.

2.2: Reliability Principles

NERC Reliability Standards are based on certain reliability principles that define the foundation of reliability for North American Bulk Power Systems[2] ~~.~~[3] Each Reliability Standard shall enable or support one or more of the reliability principles, thereby ensuring that each Reliability Standard serves a purpose in support of reliability of the North American Bulk Power Systems. Each Reliability Standard shall also be consistent with all of the reliability principles, thereby ensuring that no Reliability Standard undermines reliability through an unintended consequence.

2.3: Market Principles

Recognizing that Bulk Power System reliability and electricity markets are inseparable and mutually interdependent, all Reliability Standards shall be consistent with the market interface principles[4] ~~.~~[5] Consideration of the market interface principles is intended to ensure that Reliability Standards are written such that they achieve their reliability objective without causing undue restrictions or adverse impacts on competitive electricity markets.

2.4: Types of Reliability Requirements

Generally, each Requirement of a Reliability Standard shall identify~~, "What functional entity~~ what Functional Entities shall do~~ what~~, and under what conditions, to achieve ~~what~~a specific reliability

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[1] ~~§ 39.1 Code of Federal Regulations.~~

[2] ~~The intent of the set of NERC reliability standards is to deliver an Adequate Level of Reliability. The latest set of Reliability Principles and the latest set of characteristics associated with an Adequate Level of Reliability are posted on the Reliability Standards Resources Web Page.~~

[3] The intent of the set of NERC Reliability Standards is to deliver an adequate level of reliability. The latest set of reliability principles and the latest set of characteristics associated with an adequate level of reliability are posted on the Reliability Standards Resources web page.

[4] ~~The latest set of Market Interface Principles is posted on the Reliability Standards Resources Web Page.~~

[5] The latest set of market interface principles is posted on the Reliability Standards Resources web page.

objective~~."~~. Although Reliability Standards all follow this format, several types of Requirements may exist, each with a different approach to measurement.

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

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

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

2.5: Elements of a Reliability Standard

A Reliability Standard includes several components designed to work collectively to identify what entities must do to meet their reliability-related obligations as an owner, operator or user of the Bulk Power System. ~~The components of a reliability standard include mandatory requirements, elements necessary to demonstrate compliance and monitor and assess compliance with requirements, and informational sections of the standard.~~

Rationale: Section 2.5 has been updated to reflect the SPIG recommendation that redundant elements of a standard be eliminated, as well as a recommendation that all standards developed be results-based.

~~**Requirements and Elements Necessary to Demonstrate Compliance and Monitor and Assess Compliance with Requirements**~~

The components of a Reliability Standard may include the following:

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

Number: A unique identification number assigned in accordance with a published classification system to facilitate tracking and reference to the ~~standards.~~Reliability Standards.[6]

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

[6] Reliability Standards shall be numbered in accordance with the NERC Standards Numbering Convention as provide on the Reliability Standards Resources web page.

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

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

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

Compliance Elements: Elements to aid in the administration of ERO compliance monitoring and enforcement responsibilities.[7]

- ***Measure:*** Provides identification of the evidence or types of evidence ~~needed to~~that may demonstrate compliance with the associated requirement. ~~Each requirement shall have at least one measure. Each measure shall clearly refer to the requirement(s) to which it applies.~~

~~***Evidence Retention:*** Identification, for each requirement in the standard, of the entity that is responsible for retaining evidence to demonstrate compliance, and the duration for retention of that evidence.~~

~~***Variance:*** A requirement (to be applied in the place of the continent-wide requirement), and its associated measure and compliance information, that is applicable to a specific geographic area or to a specific set of functional entities.~~

~~***Time Horizon:*** The time period an entity has to mitigate an instance of violating the associated requirement.[8]~~

~~***Compliance Enforcement Authority:*** The entity that is responsible for assessing performance or outcomes to determine if an entity is compliant with the associated standard.~~

~~***Compliance Monitoring and Assessment Processes:*** Identification of the processes that will be used to evaluate data or information for the purpose of assessing performance or outcomes with the associated standard.~~

~~***Additional Compliance Information:*** Any other information related to assessing compliance such as the criteria or periodicity for filing specific reports.~~

- ***Violation Risk Factors and Violation Severity Levels:*** Violation risk factors (VRFs) and violation severity levels (VSLs) are used as factors when determining the size of a penalty or sanction associated with the violation of a requirement in an approved reliability standard~~[9]~~.[10]

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[7] It is the responsibility of the ERO staff to develop Compliance Elements for each standard; these elements are not part of the standard but are included in the standard and referenced in this manual because the preferred approach to developing these elements is to use a transparent process that leverages the technical and practical expertise of the drafting team and ballot pool. If directed by FERC, NERC may file revisions to Compliance Elements following approval of the NERC Board of Trustees.

~~[8] The latest set of approved Time Horizon classifications is posted on the Reliability Standards Resources Web Page.~~

~~[9] The *Sanction Guidelines of the North American Electric Reliability Corporation* identifies the factors used to determine a penalty or sanction for violation of reliability standard and is posted on the NERC Web Site.~~

Each requirement in each reliability standard has an associated VRF and a set of VSLs. VRFs and VSLs are developed by the drafting team, working with NERC Staff, at the same time as the associated reliability standard, but are not part of the reliability standard. The Board of Trustees is responsible for approving VRFs and VSLs.

- ***Violation Risk Factors***

VRFs identify the potential reliability significance of noncompliance with each requirement. ~~Each requirement is assigned a VRF in accordance with the latest approved set of VRF criteria[11].~~ Each requirement is assigned a VRF in accordance with the latest approved set of VRF criteria.[12]

- ***Violation Severity Levels***

VSLs define the degree to which compliance with a requirement was not achieved. Each ~~Each requirement shall have at least one VSL. While it is preferable to have four VSLs for each requirement, some requirements do not have multiple "degrees" of noncompliant performance and may have only one, two, or three VSLs. Each requirement is assigned one or more VSLs in accordance with the latest approved set of VSL criteria[13].~~

~~**Informational Sections**~~requirement shall have at least one VSL. While it is preferable to have four VSLs for each requirement, some requirements do not have multiple "degrees" of noncompliant performance and may have only one, two, or three VSLs. Each requirement is assigned one or more VSLs in accordance with the latest approved set of VSL criteria.[14]

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

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

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

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

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

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

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[10] The *Sanction Guidelines of the North American Electric Reliability Corporation* identifies the factors used to determine a penalty or sanction for violation of reliability standard and is posted on the NERC Web Site.

[11] ~~The latest set of approved VRF Criteria is posted on the Reliability Standards Resources Web Page.~~

[12] The latest set of approved VRF Criteria is posted on the Reliability Standards Resources Web Page.

[13] ~~The latest set of approved VSL Criteria is posted on the Reliability Standards Resources Web Page.~~

[14] The latest set of approved VSL Criteria is posted on the Reliability Standards Resources Web Page.

Section 3.0: Reliability Standards Program Organization

3.1: Board of Trustees

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

3.2: Registered Ballot Body

The Registered Ballot Body comprises all entities or individuals that qualify for one of the ~~stakeholder~~ Segments approved by the Board of Trustees[15], and are registered with NERC as potential ballot participants in the voting on Reliability Standards. Each member of the Registered Ballot Body is eligible to join the ballot pool for each Reliability Standard action.

3.3: Ballot Pool

Each Reliability Standard action has its own ballot pool formed of interested members of the Registered Ballot Body. The ballot pool comprises those members of the Registered Ballot Body that respond to a pre-ballot request to participate in that particular Reliability Standard action. The ballot pool votes on each Reliability Standards action. The ballot pool remains in place until all balloting related to that Reliability Standard action has been completed.

3.4: Standards Committee

The Standards Committee serves at the pleasure and direction of the NERC Board of Trustees, and the Board approves the Standards Committee's Charter.[16] Standards Committee members are elected by their respective Segment's stakeholders. The Standards Committee consists of two members of each of the ~~stakeholder~~ Segments in the Registered Ballot Body~~[17]~~.[18] A member of the NERC Reliability Standards Staff shall serve as the ~~nonvoting~~non-voting secretary to the Standards Committee.

The Standards Committee is responsible for managing the Reliability Standards processes for development of ~~standards, VRFs, VSLs~~Reliability Standards, definitions, Variances and Interpretations in accordance with this manual. The responsibilities of the Standards Committee are defined in detail in the Standards Committee's Charter. The Standards Committee is responsible for ensuring that the ~~standards, VRFs, VSLs~~Reliability Standards, definitions, Variances and Interpretations developed by drafting teams

[15] The industry Segment qualifications are described in the Development of the Registered Ballot Body and Segment Qualification Guidelines document posted on the Reliability Standards Resources web page~~.~~ and are included in Appendix 3D of the NERC Rules of Procedure.

[16] The Standards Committee Charter is posted on the Reliability Standards Resources web page.

[17] ~~In addition to balanced stakeholder segment representation, the Standards Committee shall also have representation that is balanced among countries based on net energy for load (NEL). As needed, the Board of Trustees may approve special procedures for the balancing of representation among countries represented within NERC.~~

[18] In addition to balanced Segment representation, the Standards Committee shall also have representation that is balanced among countries based on Net Energy for Load ("NEL"). As needed, the Board of Trustees may approve special procedures for the balancing of representation among countries represented within NERC.

are developed in accordance with the processes in this manual and meet NERC's benchmarks for Reliability Standards as well as criteria for governmental approval[19] .[20]

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

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

3.5: NERC Reliability Standards Staff

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

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

3.6: Drafting Teams

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

The proposed changes to drafting team composition are responsive to part of SPIG Recommendation 5, to *"Incorporate the support of technical writers, legal, compliance and rigorous and highly trained facilitation support."*

[19] The Ten Benchmarks of an Excellent Reliability Standard and FERC's Criteria for Approving Reliability Standards are posted on the Reliability Standards Resources Web Page.

[20] The Ten Benchmarks of an Excellent Reliability Standard and FERC's Criteria for Approving Reliability Standards are posted on the Reliability Standards Resources web page.

Each drafting team ~~consists~~may consist of a group of technical, legal, and compliance experts that work cooperatively with the support of the ~~standards staff~~[21] .NERC Reliability Standards Staff.[22] The technical experts provide the subject matter expertise and guide the development of the technical aspects of the Reliability Standard, assisted by technical writers~~.~~, legal and compliance experts. The technical experts maintain authority over the technical details of the Reliability Standard. Each drafting team appointed to develop a Reliability Standard is responsible for following the processes identified in this manual as well as procedures developed by the Standards Committee from the inception of the assigned project through the final acceptance of that project by Applicable Governmental Authorities.

Collectively, each drafting team:

- Drafts proposed language for the Reliability Standards, definitions, Variances, and/or Interpretations and associated implementation plans.
- Develops and refines technical documents that aid in the understanding of Reliability Standards.
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- Provides assistance to NERC Staff in the development of Compliance Elements of proposed Reliability Standards.
- Solicits, considers, and responds to comments related to the specific Reliability Standards development project.
- Participates in industry forums to help build consensus on the draft Reliability Standards, definitions, Variances, and/or Interpretations and associated implementation plans.
- Assists in developing the documentation used to obtain governmental approval of the Reliability Standards, definitions, Variances, and/or Interpretations and associated implementation plans.

All drafting teams report to the Standards Committee.

3.7: Governmental Authorities

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

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

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

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

[21] ~~The detailed responsibilities of drafting teams are outlined in the Drafting Team Guidelines, which is posted on the Reliability Standards Resources Web Page.~~

[22] The detailed responsibilities of drafting teams are outlined in the Drafting Team Guidelines, which is posted on the Reliability Standards Resources web page.

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

3.9: Compliance and Certification Committee

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

3.10: Compliance Monitoring and Enforcement Program

The NERC Compliance ~~enforcement program~~Monitoring and Enforcement Program Staff manages and enforces compliance with approved Reliability Standards. ~~The compliance enforcement program shall provide feedback to~~ Compliance Monitoring and Enforcement Staff are responsible for the development of select Compliance Elements. The drafting ~~teams~~team and the Compliance Monitoring and Enforcement Program Staff shall work together during the ~~standards~~Reliability Standard development process to ensure ~~the compliance enforcement program can be practically implemented for the standards under development.~~

an accurate and consistent understanding of the Requirements and their intent, and to ensure that applicable Compliance Elements accurately reflect that intent. The ~~compliance enforcement program may conduct field tests or data collection related~~goal of this collaboration is to ~~compliance elements of proposed standards and may provide assistance with field tests or data collection when requested.~~ ensure that application of the Reliability Standards in the Compliance Monitoring and Enforcement Program by NERC and the Regional Entities is consistent.

The intent is that drafting teams will work with NERC Compliance Monitoring and Enforcement Staff to develop compliance elements and documents. Ultimately, compliance elements are the sole responsibility of NERC as the ERO. However, the technical expertise provided by drafting teams is a valuable resource to assist ERO staff in the drafting and development of compliance elements.

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

3.11: North American Energy Standards Board ~~(~~("NAESB~~)~~")

While NERC has responsibility for developing Reliability Standards to support reliability, NAESB has responsibility for developing business practices and coordination between reliability and business practices ~~is~~as needed. ~~The~~ NERC and NAESB developed and approved a procedure[23] to guide the development of Reliability Standards and business practices where the reliability and business practice components are intricately entwined within a proposed Reliability Standard.

[23] The NERC NAESB Template Procedure for Joint Standards Development and Coordination is posted on the Reliability Standards Resources web page.

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

There are several steps to the development, modification ~~or,~~ withdrawal or retirement of a Reliability Standard[24] .[25]

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

The proposed changes to the commenting and standard development processes in Section 4.0 are responsive to SPIG Recommendations 1 and 5 as well as the following suggestions:

- "Involve industry, NERC and FERC in the quality review earlier in the standards development process."
- "Modify the comment process to:
  - Bundle responses to comments."
- "Improve timeliness and effectiveness in terms of commenting/balloting (need to consider the manual effort and timing associated with posting, grouping and responding)"

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

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

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

[24] ~~The process described is also applicable to projects used to propose a new or modified definition or variance or to propose retirement of a definition or variance.~~

[25] The process described is also applicable to projects used to propose a new or modified definition or Variance or to propose retirement of a definition or Variance.

~~Post~~.

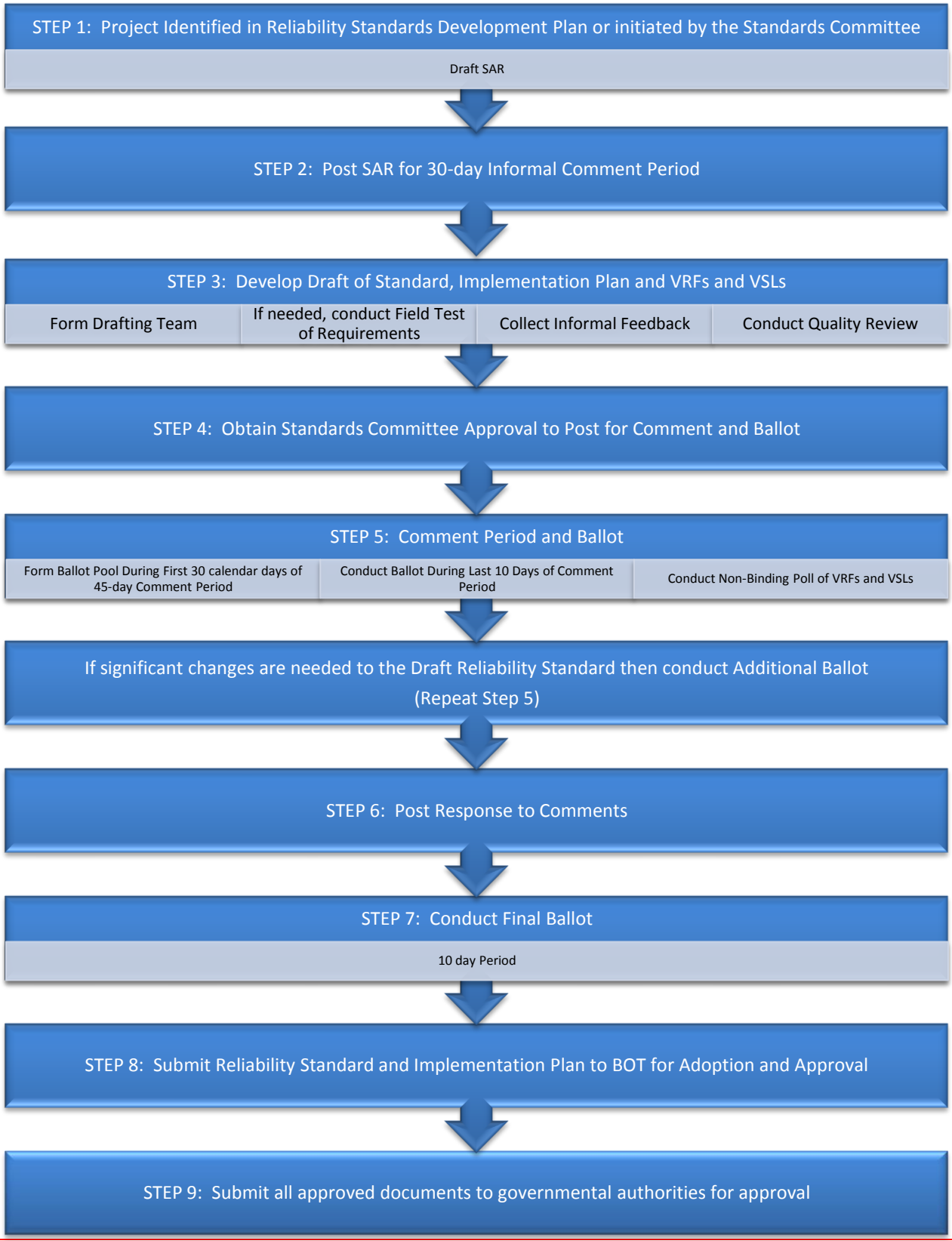


FIGURE 1: Process for Developing or Modifying a Reliability Standard

4.1: Posting and Collecting Information on SARs

SPIG Recommendation 2 recommends the formation of a Reliability Issues Steering Committee (RISC) to provide recommendations to the NERC Board of Trustees regarding the appropriate methods for addressing proposed reliability issues. As this recommendation is piloted, it is possible that some changes to the SAR process will be recommended but at this time no changes are proposed to the current process for handling SARs.

Standard Authorization Request

A Standard Authorization Request ~~(~~("SAR~~)~~") is the form used to document the scope and reliability benefit of a proposed project for one or more new or modified ~~standards~~Reliability Standards or definitions or the benefit of retiring one or more approved ~~standards.~~ Reliability Standards. Any entity or individual, including NERC committees or subgroups and NERC Staff, may propose the development of a new or modified Reliability Standard, or may propose the retirement of a ~~standard,~~Reliability Standard (in whole or in part), by submitting a completed SAR[26] to the ~~standards staff.~~

~~Most new standards projects will have been identified in the latest approved *Reliability Standards Development Plan*[27]. The initial SAR for these projects shall be drafted by NERC staff and submitted to the Standards Committee with a request to post the SAR for stakeholder review.~~NERC Reliability Standards Staff. The Standards Committee has the authority to approve the posting of all SARs for projects that propose (i) developing a new or modified Reliability Standard or definition or (ii) propose retirement of an existing ~~standard.~~Reliability Standard (or elements thereof).

The NERC Reliability Standards Staff sponsors an open solicitation period each year seeking ideas for new Reliability Standards projects (using *Reliability Standards Suggestions and Comments forms*). The open solicitation period is held in conjunction with the annual revision to the *Reliability Standards Development Plan*. While the Standards Committee prefers that ideas for new projects be submitted during this annual solicitation period through submittal of a *Reliability Standards Suggestions and Comments Form*[28]~~,~~[29] a SAR proposing a specific project may be submitted to the NERC Reliability Standards Staff at any time.

Each SAR that proposes a "new" ~~standard,~~or substantially revised Reliability Standard or definition should be accompanied ~~with~~by a technical justification that includes, as a minimum, a discussion of the reliability-related ~~impact~~benefits and costs of ~~not~~ developing the new ~~standard~~Reliability Standard or definition, and a technical foundation document (*e.g.*, research paper~~), when needed,~~) to guide the development of the ~~standard.~~

Reliability Standard or definition. The technical document should address the engineering, planning and operational basis for the proposed Reliability Standard or definition, as well as any alternative approaches considered during SAR development.

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

[26] The SAR form can be downloaded from the Reliability Standards Resources web page.

[27] ~~The latest approved version of the *Reliability Standards Development Plan* is posted on the Reliability Standards Resources Web Page.~~

[28] ~~The *Reliability Standards Suggestions and Comments Form* can be downloaded from the Reliability Standards Resources Web Page.~~

[29] The *Reliability Standards Suggestions and Comments Form* can be downloaded from the Reliability Standards Resources web page.

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

This addition will facilitate coordination of standard development decisions with the recommendations of the RISC and the work plans of NERC standing technical committees."

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

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

During the SAR comment process, the drafting team may become aware of potential regional Variances related to the proposed Reliability Standard. To the extent possible, any regional Variances or exceptions should be made a part of the SAR so that if the SAR is authorized, such variations shall be made a part of the draft new or revised Reliability Standard.

If the Standards Committee accepts a SAR, the project shall be added to the list of approved projects. ~~If the Standards Committee accepts a SAR, the project shall be added to the list of approved projects.~~ The Standards Committee shall assign a priority to the project, relative to all other projects under development, and those projects already identified in the *Reliability Standards Development Plan* that are already approved for development.
The Standards Committee shall work with the NERC Reliability Standards Staff to coordinate the posting of SARs for new projects, giving consideration to each project's priority.

4.2: SAR Posting

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

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

- For SARs that address the development of new projects or Reliability Standards, authorize posting the SAR for a 30-day formal comment period.

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

While there is no established limit on the number of times a SAR may be posted for comment, the Standards Committee retains the right to reverse its prior decision and reject a SAR if it believes continued revisions are not productive. ~~Once again,~~ The Standards Committee shall notify the sponsor in writing of the rejection within ~~ten~~10 calendar days ~~and the sponsor may initiate an appeal using the appeals procedure~~.

~~During the SAR comment process, the drafting team may become aware of potential regional variances related to the proposed standard. To the extent possible, any regional variances or exceptions should be made a part of the SAR so that, if the SAR is authorized, such variations shall be made a part of the draft new or revised standard.~~

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

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

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

~~If the Standards Committee rejects a SAR, the sponsor may initiate an appeal.~~

4.3: Form Drafting Team

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

If no drafting team is in place, then the Standards Committee may use a public nomination process to populate the Reliability Standard drafting team, or may use another method that results in a team that collectively has the necessary technical expertise, diversity of views and work process skills to

~~meet~~accomplish the objectives of the project~~.~~ on a timely basis. In some situations, an ad hoc team may already be in place with the requisite expertise, competencies, and diversity of views that are necessary to develop the ~~standard~~Reliability Standard, and additional members may not be needed.

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

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

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

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

4.4.1: Project Schedule

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

4.4.2: Draft Reliability Standard

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

4.4.3: Implementation Plan

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

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

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

4.4.4: Violation Risk Factors and Violation Severity Levels

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

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

~~Solicit~~

4.5: Informal Feedback[30]

Drafting teams may use a variety of methods to collect informal stakeholder feedback on preliminary drafts of its documents, including the use of informal comment periods,[31] webinars, industry meetings, workshops, or other mechanisms. ~~Informal comment periods, if used, shall have a minimum duration of 30 days.~~ Information gathered from informal comment forms shall be

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

[30] While this discussion focuses on collecting stakeholder feedback on proposed ~~standards,~~ Reliability Standards and implementation plans ~~and VRFs and VSLs~~, the same process is used to collect stakeholder feedback on proposed new or modified Interpretations, definitions and Variances.

[31] The term "informal comment period" refers to a comment period conducted outside of the ballot process and where there is no requirement for a drafting team to respond in writing to submitted comments.

publicly posted~~ and,~~. While drafting teams are not required to provide a written response to each individual comment received, drafting teams ~~must~~are encouraged, where possible, to post a summary response that identifies how it used comments submitted by stakeholders. The intent is to gather stakeholder feedback on a "working document" before the document reaches the point where it is considered the "final draft."

4.6: Conduct Quality Review

The NERC Reliability Standards Staff shall coordinate a quality review[32] of the ~~"final draft" of the~~ Reliability Standard, implementation plan, and VRFs and VSLs in parallel with the development of the Reliability Standard and implementation plan, to assess whether the documents are within the scope of the associated SAR, whether the Reliability Standard is clear and enforceable as written, and whether the Reliability Standard meets the criteria specified in NERC's Benchmarks for Excellent Standards and criteria for governmental approval of ~~standards, VRFs and VSLs. This review shall be completed within 30 days of receipt of the final version of the documents from~~Reliability Standards. The drafting team~~. The detailed~~ shall consider the results of ~~this review shall be provided~~the quality review, decide upon appropriate changes, and recommend to the ~~drafting team and the~~ Standards Committee ~~with a recommendation on~~ whether the documents are ready for formal posting and balloting.

Rationale: The ability to conduct quality reviews in parallel with standard development is intended to add flexibility to the standard development process and reflects the fact that there may be a need to conduct multiple quality reviews as a standard continues to develop. One of our lessons learned is that conducting a quality review late in the drafting of a standard and providing this input to the team is inefficient for the team. The current process for conducting quality reviews adds a minimum of two to four weeks at every posting step. Drafting teams have requested that the quality review happen as they are drafting, rather than at the end before posting. By adding lawyers and compliance experts to work directly with drafting teams, much of what is covered in quality review should be addressed during drafting so that the review before posting is more of an administrative review – proofreading and checking for consistency and completeness – which will not require as much time.

~~If the Standards Committee agrees that the proposed standard, implementation plan, VRFs or VSLs pass this review,~~ The Standards Committee shall authorize posting the proposed ~~standard, implementation plan, VRFs~~Reliability Standard, and ~~VSLs~~implementation plan for a formal comment period~~,~~ and ballot ~~(for the standard and implementation plan),~~ and the VRFs and VSLs for a non-binding poll ~~(for VRFs and VSLs)~~ as soon as the work flow will accommodate.

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

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

4.7: Conduct Formal Comment ~~Periods~~Period and Ballot

~~Most~~ Proposed new or modified ~~standards will~~ Reliability Standards require a ~~minimum of two~~ formal comment period~~s~~ where the new or modified ~~standard, its~~ Reliability Standard, implementation plan and associated VRFs and VSLs ~~, and implementation plan~~ or the proposal to retire a ~~standard and its associated VRFs, VSLs and~~ Reliability Standard, implementation plan and associated VRFs and VSLs are posted. ~~The Standards Committee has the authority to waive the initial 30-day formal comment period if the proposed revision to a standard is minor and not substantive.~~

The ~~first~~ formal comment period shall be at least ~~30~~45-days long. ~~If the drafting team makes substantive revisions to the standard following the initial formal comment period, then the standard shall undergo~~

~~[32] The quality review will involve a representative from the Compliance and Certification Committee as well as others; but will not involve individuals who participated in the development of the standard.~~

~~another quality review before it is posted for its second formal comment period. The second formal comment period shall have a 45-day duration and shall start after the drafting team has posted its consideration of stakeholder comments and any conforming changes to the associated standard.~~

Formation of the ballot pool and ~~the initial~~ Ballot of the ~~standard and the non-binding poll of the VRFs and VSLs~~Reliability Standard take place during ~~the second formal comment period. If additional formal comment periods are needed, they shall be at least 30-days in length and shall be conducted in parallel with successive ballots and if needed, successive non-binding polls of the VRFs and VSLs.~~

this formal 45-day comment period. The intent of the formal comment ~~periods~~period(s) is to solicit very specific feedback on the final draft of the ~~standard, VRFs, VSLs, and~~Reliability Standard, implementation plan~~.~~ and VRFs and VSLs.

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

~~The drafting team shall consider and respond to all comments submitted during the formal comment periods at the same time and in the same manner as specified for addressing comments submitted with ballots. NERC staff shall provide assistance in responding to comments on VRFs and VSLs.~~

~~All comments received and all responses shall be publicly posted. Stakeholders who submit comments objecting to some aspect of the documents posted for comment shall determine if the response provided by the drafting team satisfies the objection. All objectors shall be informed of the appeals process contained within this manual.~~

4.8: Form Ballot Pool

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

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

4.9: Conduct ~~Initial~~ Ballot and ~~Conduct~~ Non-binding Poll of VRFs and VSLs

The NERC Reliability Standards Staff shall announce the opening of the ~~initial~~ Ballot window and the non-binding poll of VRFs and VSLs. The Ballot window and non-binding poll ~~window~~of VRFs and VSLs shall ~~both~~ take place during the last 10 calendar days of the 45-day formal comment period~~. This allows all stakeholders~~ and for the ~~opportunity to comment on~~ Final Ballot shall be no less than 10 calendar days. If the ~~final draft of each proposed standard, even those stakeholders who are not members~~last day of the ballot ~~pool.~~window falls on a Saturday or Sunday, the period does not end until the next business day.[33]

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

~~Consider and Respond to Stakeholder and Balloter Comments~~

~~The drafting team shall consider every stakeholder comment submitted either in response to a formal comment period or submitted with a ballot that includes a proposal for a specific modification to the standard or its implementation plan posted for comment and approval. The drafting team shall provide a response to each of these proposals indicating whether the drafting team adopted the recommendation, in accordance with the following:~~

Changes to Sections 4.10 and 4.11 respond to SPIG Recommendation 5 and the following suggestions: *"Limit negative ballots without comment" and "Ballot process shall:*

- *Use all votes cast by ballot pool member to establish quorum."*

Elimination of negative votes without comments is consistent with NERC's ANSI accreditation.

Rationale: Negative votes submitted without comments are inconsistent with NERC's consensus building process and provide no input to drafting teams as to how to revise their work to achieve a consensus standard.

The requirement to submit comments with a negative vote is intended to encourage the submission of comments that will provide guidance to drafting teams.

[33] Closing dates may be extended as deemed appropriate by NERC Staff.

~~If a Comment:~~	~~Then~~	~~And~~
~~Is unrelated to proposed standard action~~	~~Note that comment is unrelated~~	~~No further action needed~~
~~Proposes change that expands project scope~~	~~Note that comment is proposing an expansion~~	~~Add item to "issues database" for consideration during next update to the standard~~
~~Proposes a modification based on a technical issue not previously identified~~	~~Provide the drafting team's technical analysis of the proposal~~	~~If the team accepts the proposal, modify the standard~~
~~Proposed a modification based on a technical issue previously vetted~~	~~Provide a summary of the vetting and resolution previously reached~~	~~No further action needed~~
~~Proposes a modification to provide greater clarity~~	~~Provide the drafting team's view as to whether the proposed modification improves clarity~~	~~If the team accepts the proposal, modify the standard~~

~~If stakeholders submit comments that indicate a specific improvement to one or more of the VRFs or VSLs would improve consensus without violating the criteria for setting VRFs and VSLs, then the drafting team, working with NERC staff, shall consider and respond to each comment, and shall make conforming changes to reflect those comments.~~ There is no requirement to conduct a new non-binding poll of the revised VRFs and VSLs if no changes were made to the associated standard, however if the requirements are modified and conforming changes are made to the associated VRFs and VSLs, another non-binding poll of the revised VRFs and VSLs shall be conducted.

~~All comments submitted and the responses to those comments shall be publicly posted.~~

4.10: Criteria for Ballot Pool Approval

Ballot pool approval of a Reliability Standard requires:

A quorum, which is established by at least 75% of the members of the ballot pool submitting a response ~~with an affirmative vote, a negative vote, or an abstention~~, excluding unreturned ballots; and

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

The following process[34] is used to determine if there are sufficient affirmative votes.

- For each Segment with ten or more voters, the following process shall be used: The number of affirmative votes cast shall be divided by the sum of affirmative and negative votes with comments cast to determine the fractional affirmative vote for that Segment. Abstentions ~~and~~, non-responses, and negative votes without comments shall not be counted for the purposes of determining the fractional affirmative vote for a Segment.
- For each Segment with less than ten voters, the vote weight of that Segment shall be proportionally reduced. Each voter within that Segment voting affirmative or negative with comments shall receive a weight of 10% of the Segment vote.

[34] Examples of weighted segment voting calculation are posted on the Reliability Standards Resources web page.

- The sum of the fractional affirmative votes from all Segments divided by the number of Segments voting[35] shall be used to determine if a two-thirds majority has been achieved. (A Segment shall be considered as "voting" if any member of the Segment in the ballot pool casts either an affirmative vote or a negative vote with comments.)
- A Reliability Standard shall be approved if the sum of fractional affirmative votes from all Segments divided by the number of voting Segments is at least two thirds.

4.11: Voting Positions

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

- Affirmative;
- Affirmative, with comment;
- ~~Negative without comment~~
- Negative with comments ~~(if possible reasons should include specific wording or actions that would resolve the objection);~~
- Abstain.

~~Each ballot pool member submitting a negative vote with comments shall determine if the response provided by the drafting team satisfies those stated concerns. Each such balloter shall be informed of the appeals process contained within this manual.~~

~~If a standard achieves a quorum and there are no negative votes with comments from the initial ballot, and the overall approval is at least two thirds (weighted by segment) then the results of the initial ballot shall stand as final and the draft reliability standard and associated implementation plan shall be deemed to be approved by its ballot pool.~~

~~**Successive Ballots (Standard has Changed Substantively from Prior Ballot)**~~

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

- Affirmative;
- Negative;[36]
- Abstain.

4.12: Consideration of Comments

If a stakeholder or balloter proposes a significant revision to ~~the~~a Reliability Standard during the formal comment period or concurrent ~~initial~~ Ballot that will improve the quality, clarity, or enforceability of that ~~standard~~Reliability Standard, then the drafting team ~~shall~~may choose to make such revisions and post the revised Reliability Standard for another 45 calendar day public comment period and ballot. ~~If the previous ballot achieved a quorum and sufficient affirmative ballots~~Prior to posting the revised Reliability Standard for ~~approval, the~~ an additional comment period ~~shall be 30 days and the new ballot may focus~~

[35] When less than ten entities vote in a Segment, the total weight for that Segment shall be determined as one tenth per entity voting, up to ten.

[36] The Final Ballot is used to confirm consensus achieved during the Formal Comment and Ballot stage. Ballot Pool members voting negative on the Final Ballot will be deemed to have commented or supported the comments of other groups during prior Formal Comment periods.

~~on the entire standard and its implementation plan or may focus only on the element(s) that were changed following the previous ballot.~~

~~The drafting team shall address comments submitted during successive ballot periods (comments submitted from~~, the drafting team must communicate this decision to stakeholders ~~during the open formal comment period and comments submitted with negative ballots) in the same manner as for the initial ballot. Once~~ . This communication is intended to inform stakeholders that the drafting team has identified that significant revisions to the Reliability Standard are necessary and should note that the drafting team ~~has a draft standard that has been through a "successive ballot" and the team believes that no additional significant modifications are needed, the standard shall be posted for a Recirculation Ballot.~~ is not required to respond in writing to comments from the previous ballot. The drafting team will respond to comments received in the last Additional Ballot prior to conducting a Final Ballot.

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

4.13: Additional Ballots

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

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

4.14: Conduct ~~Recirculation (~~Final~~)~~ Ballot

~~**(Standard has not Changed Substantively from Prior Ballot)**~~

When the drafting team has reached a point where it has made a good faith effort at resolving applicable objections~~, the team shall conduct a recirculation ballot. In the recirculation ballot, members of the ballot pool shall again be presented the proposed standard (that has not been significantly changed from the previous ballot) along with the reasons for negative votes, the responses, and any resolution of the differences. An insignificant~~ and is not making any substantive changes from the previous ballot, the team shall conduct a "Final Ballot." A non-substantive revision is a revision that does not change the scope, applicability, or intent of any Requirement and includes but is not limited to things such as correcting the numbering of a Requirement, correcting the spelling of a word, adding an obviously missing word, or rephrasing a Requirement for improved clarity. Where there is a question as to whether a proposed modification is "substantive~~",~~," the Standards Committee shall make the final determination. ~~There is no formal comment period concurrent with the recirculation ballot and no obligation for the drafting team to respond to any comments submitted during the recirculation ballot.~~

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

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

4.15: Final Ballot Results

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

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

4.16: Board of Trustees Adoption of Reliability Standards ~~and,~~ Implementation ~~Plans~~Plan and VRFs and VSLs

If a Reliability Standard and its ~~implementation plan submitted for adoption by the Board of Trustees shall be provided to the NERC Board of Trustees at the same time it is posted for the ballot pool's pre-ballot review. If the standard and implementation plan~~associated implementation plan are approved by ~~their~~its ballot pool, the Board of Trustees shall consider adoption of that Reliability Standard and its associated implementation plan and shall direct the standard to be filed with Applicable Governmental Authorities for approval. In making its decision, the Board shall consider the results of the balloting and unresolved dissenting opinions. The Board shall adopt or reject a Reliability Standard and its implementation plan, but shall not modify a proposed Reliability Standard. If the Board chooses not to adopt a Reliability Standard, it shall provide its reasons for not doing so.

~~Board of Trustee Approval of Violation Risk Factors and Violation Severity Levels~~

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

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

~~**Governmental Approvals**~~

~~**If the board approves**~~**4.17: Compliance**

For a Reliability Standard ~~and its implementation plan and the associated VRFs and VSLs, the board shall direct NERC staff to file the standard, its implementation plan and its associated VRFs and VSLs, with applicable governmental authorities in the United States, Canada, and Mexico for approval.~~

~~**Compliance**~~

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

Rationale: Sections 4.18 and 4.19 have been incorporated to specifically to address withdrawal or retirement of Reliability Standards, Interpretations, Definitions or Variances in order to provide clarity as to the procedures that apply to such circumstances. The process described is intended to match the current practice.

4.18: Withdrawal of a Reliability Standard, Interpretation, or Definition

The term "withdrawal" as used herein, refers to the discontinuation of a Reliability Standard, Interpretation, Variance or definition that has been approved by the Board of Trustees and (1) has not been filed with Applicable Governmental Authorities, or (2) has been filed with, but not yet approved by, Applicable Governmental Authorities. The Standards Committee may withdraw a Reliability Standard, Interpretation or definition for good cause upon approval by the Board of Trustees. Upon approval by the Board of Trustees, NERC Staff will petition the Applicable Governmental Authorities, as needed, to

allow for withdrawal. The Board of Trustees also has an independent right of withdrawal that is unaffected by the terms and conditions of this Section.

4.19: Retirement of a Reliability Standard, Interpretation, or Definition

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

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

Section 5.0: Process for Developing a Defined Term

No substantive changes have been made to Section 5.0.

NERC maintains a glossary of approved terms, entitled the "*Glossary of Terms Used in NERC Reliability Standards*~~.~~[37],[38] ("Glossary of Terms"). The Glossary of Terms includes terms that have been through the formal approval process and are used in one or more NERC Reliability Standards. Definitions shall not contain statements of performance Requirements. ~~There are two sections to the glossary. The first section includes definitions for terms used in continent-wide standards, and the second section includes definitions for terms used in Regional Entity standards that have been adopted by the NERC Board of Trustees.~~ The Glossary of Terms is intended to provide consistency throughout the Reliability Standards.

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

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

5.1: Proposals to Develop a New or Revised Definition

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

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

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

If a SAR is submitted to the NERC Reliability Standards Staff with a proposal for a new or revised definition, the Standards Committee shall consider the urgency of developing the new or revised definition and may direct NERC Staff to post the SAR immediately, or may defer posting the SAR until a

[37] ~~The latest approved version of the glossary is posted on the Standards Web Page.~~
[38] The latest approved version of the Glossary of Terms is posted on the NERC website on the Standards web page.

later time based on its priority relative to other projects already underway or already approved for future development. If the SAR identifies a term that is used in a Reliability Standard already under revision by a drafting team, the Standards Committee may direct the drafting team to add the term to the scope of the existing project. Each time the Standards Committee accepts a SAR for a project that was not identified in the *Reliability Standards Development Plan*, the project shall be added to the list of approved projects.

5.2: Stakeholder Comments and Approvals

Any proposal for a new or revised definition shall be processed in the same manner as a ~~standard. The drafting team shall submit its work for a quality review and the Standards Committee and drafting team shall consider that review when determining whether the definition and its implementation plan are ready for formal comment and balloting.~~Reliability Standard and quality review shall be conducted in parallel with this process. Once authorized by the Standards Committee, the proposed definition and its implementation plan shall be posted for at least one ~~45-day~~ formal stakeholder comment period and shall be balloted in the same manner as a Reliability Standard. If a new or revised definition is proposed by a drafting team, that definition may be balloted separately from the associated Reliability Standard.

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

~~Process for Developing a New or Revised Definition Initiated with a SAR~~

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

No substantive changes have been made to Section 6.0.

While most drafting teams can develop their Reliability Standards without the need to conduct any field tests and without the need to collect and analyze data, some Reliability Standard development efforts may ~~involve~~require field tests ~~analysis of~~to analyze data ~~to~~and validate concepts~~, requirements or compliance elements of~~ in the development of Reliability Standards.

There are ~~three~~two types of field tests – tests of concepts~~; tests of requirements;~~ and tests of ~~compliance elements~~requirements.

6.1: Field Tests and Data Analysis for Validation of Concepts

Field tests or collection and analysis of data to validate concepts that support the development of Requirements should be conducted before the SAR for a project is finalized. If an entity wants to test a technical concept in support of a proposal for a new or revised Reliability Standard, the entity should either work with one of NERC's technical committees in collecting and analyzing the data or in conducting the field test, or the entity should submit a SAR with a request to collect and analyze data or conduct a field test to validate the concept prior to developing a new or revised Reliability Standard. The request to collect and analyze data or conduct a field test should include, at a minimum, either the data collection and analysis or field test plan, the implementation schedule, and an expectation for periodic updates of the analysis of the results. If the SAR sponsor has not collected and analyzed the data or conducted the field test, the Standards Committee may solicit support from NERC's technical committees or others in the industry. The results of the data collection and analysis or field test shall then be used to determine whether to add the SAR to the list of projects in the Reliability Standard Development Plan.

If a drafting team finds that it needs to collect and analyze data or conduct a field test of a concept that was not identified when the SAR was accepted, then the Standards Committee may direct the team to withdraw the SAR until the data has been collected and analyzed or until the field test has been conducted and the industry has had an opportunity to review the results for the impact on the scope of the proposed project.

6.2: Field Tests and Data Analysis for Validation of Requirements

If a drafting team wants to conduct a field test or collect and analyze data to validate its proposed Requirements~~, measures, or compliance elements~~ in a Reliability Standard, the team shall first obtain approval from the Standards Committee[39] ~~.~~[40] Drafting teams are not required to collect and analyze data or to conduct a field test to validate a Reliability Standard.

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

[39] ~~The Process for Approving Data Collection and Analysis and Field Tests Associated with a Reliability Standard is posted on the Reliability Standards Resources Web Page.~~

[40] The Process for Approving Data Collection and Analysis and Field Tests Associated with a Reliability Standard is posted on the Reliability Standards Resources web page.

results incorporated into the Reliability Standard Requirements as necessary before proceeding to the formal comment period and subsequent balloting.

~~**Field Tests and Data Analysis for Validation of Compliance Elements**~~

~~If the Compliance Monitoring and Enforcement Program identifies a need to collect and analyze data or conduct a field test of one or more of the compliance elements of a proposed standard, then the Compliance Monitoring and Enforcement Program shall request the Standards Committee's approval. The request should include at a minimum the data collection and analysis or field test plan, the implementation schedule, and an expectation for periodic updates of the results.~~

~~When authorizing a drafting team to collect and analyze data or to conduct a field test of one or more compliance elements of a standard, the Standards Committee shall request the assistance of the Compliance Monitoring and Enforcement Program in conducting the field test.~~

6.3: Communication and Coordination for All Types of Field Tests and Data Analyses

If the conduct of a field test (concepts~~, requirements or compliance elements~~ or Requirements) or data collection and analysis could render Registered Entities incapable of complying with the current Requirements of an approved Reliability Standard that is undergoing revision, the drafting team shall request a temporary waiver from compliance to those Requirements for entities participating in the field test. Upon request, the Standards Committee shall seek approval for the waiver from the Compliance Monitoring and Enforcement Program prior to the approval of the field test or data collection and analysis.

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

The field test plan or data collection and analysis plan, its approval, its participants, and all reports and results shall be publicly posted for stakeholder review on the Reliability Standards web page.

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

Section 7.0: Process for Developing an Interpretation

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

Changes to Section 7.0 are intended to clarify the basis and process for rejecting an interpretation, consistent with guidance issued by the NERC Board of Trustees in November 2009, and to incorporate some of the elements of the Standards Committee's Guidelines to Interpretation Drafting teams.

An Interpretation may only clarify or interpret the Requirements of an approved Reliability Standard, including, if applicable, any attachment referenced in the Requirement being clarified. No other elements of an approved Reliability Standard are subject to Interpretation.

The entity requesting the Interpretation shall submit a *Request for Interpretation* form[41] to the NERC Reliability Standards Staff explaining the clarification required, the specific circumstances surrounding the request, and the impact of not having the Interpretation provided. The NERC Reliability Standards and Legal Staffs shall review the request for interpretation to determine whether it meets the requirements for a valid interpretation. Based on this review, the NERC Standards and Legal Staffs shall make a recommendation to the Standards Committee whether to accept the request for Interpretation and move forward in responding to the Interpretation request.

~~The standards staff~~
For example, an Interpretation request may be rejected where it:

(1) Requests approval of a particular compliance approach;
(2) Identifies a gap or perceived weakness in the approved Reliability Standard;
(3) Where an issue can be addressed by an active standard drafting team;
(4) Where it requests clarification of any element of a Reliability Standard other than a Requirement;
(5) Where a question has already been addressed in the record;
(6) Where the Interpretation identifies an issue and proposes the development of a new or modified Reliability Standard, (such issues should be addressed via submission of a SAR);
(7) Where an Interpretation seeks to expand the scope of a Reliability Standard; or
(8) Where the meaning of a Reliability Standard is plain on its face.

If the Standards Committee rejects the Interpretation request, it shall provide a written explanation for rejecting the Interpretation to the entity requesting the Interpretation within 10 business days of the decision to reject. If the Standards Committee accepts the Interpretation request, the NERC Standards Staff shall (i) form a ballot pool and (ii) assemble an Interpretation drafting team with the relevant expertise to address the ~~clarification~~interpretation for approval by the Standards Committee. As soon as practical, the team shall develop a "final draft" Interpretation providing the requested clarity.

[41] The *Request for Interpretation* form is posted on the NERC Standards web page.

~~The standards staff shall coordinate a quality review[42] of the interpretation to assess whether the interpretation is clear and provides the requested clarity without expanding on any requirement. The detailed results of this review shall be provided to the drafting team and the Standards Committee with a recommendation on whether the documents are ready for formal posting and balloting and if the Standards Committee agrees that the proposed interpretation passes this review, the Standards Committee shall authorize posting the proposed interpretation.~~

~~The first formal comment period shall be 30 days long. If the drafting team makes substantive revisions to the interpretation following the initial formal comment period, then the interpretation shall undergo another quality review before it is posted for its second formal comment period. The second formal comment period shall have a 45-day duration and shall start after the drafting team has posted its consideration of stakeholder comments and any conforming changes to the associated standard.~~
~~Formation of a ballot pool shall take place during the first 30 days of the 45-day formal comment period, and the initial ballot of the interpretation shall take place during the last 10 days of that formal comment period. The interpretation drafting team shall consider and respond to all comments submitted during the formal comment period at the same time and in the same manner as specified for addressing comments submitted with ballots.~~

~~All comments received and all responses shall be publicly posted. Stakeholders who submit comments objecting to some aspect of the interpretation shall determine if the response provided by the drafting team satisfies the objection. All objectors shall be informed of the appeals process contained within this manual.~~

- ~~If the ballot achieves a quorum and a 2/3 weighted segment approval, and there are no negative ballots with comments the ballot results are final.~~
- ~~If stakeholder comments indicate the need for minor revisions, the interpretation drafting team shall make those revisions and post the interpretation for a 10-day recirculation ballot. (A minor revision is a revision that includes but is not limited to things such as correcting the spelling of a word, adding an obviously missing word, or rephrasing a sentence for improved clarity without changing the scope of what was previously written.) If stakeholder comments indicate that there is not consensus for the interpretation or if stakeholders propose significant modifications that would improve the interpretation and the interpretation drafting team can revise the interpretation without violating the basic expectations outlined above, the interpretation drafting team shall post the comments received and a revised interpretation for a 30-day comment period and balloting during the last 10 days of that comment period. If the ballot achieves a quorum and a 2/3 weighted segment approval, and additional modifications to the interpretation are not necessary (based on a review of the comments submitted with the ballot) the interpretation shall proceed to a recirculation ballot.~~

~~If stakeholder comments indicate that there is not~~
Interpretations will be balloted in the same manner as Reliability Standards.

If stakeholder comments indicate that there is not a consensus for the Interpretation, and the Interpretation drafting team cannot revise the Interpretation without violating the basic expectations outlined above, the Interpretation drafting team shall notify the Standards Committee of its conclusion and ~~shall~~may submit a SAR with the proposed modification to the Reliability Standard. The entity that requested the Interpretation shall be notified and the disposition of the Interpretation shall be posted.

[42] ~~The quality review will involve a representative from the Compliance and Certification Committee as well as others; but will not involve individuals who participated in the development of the interpretation.~~

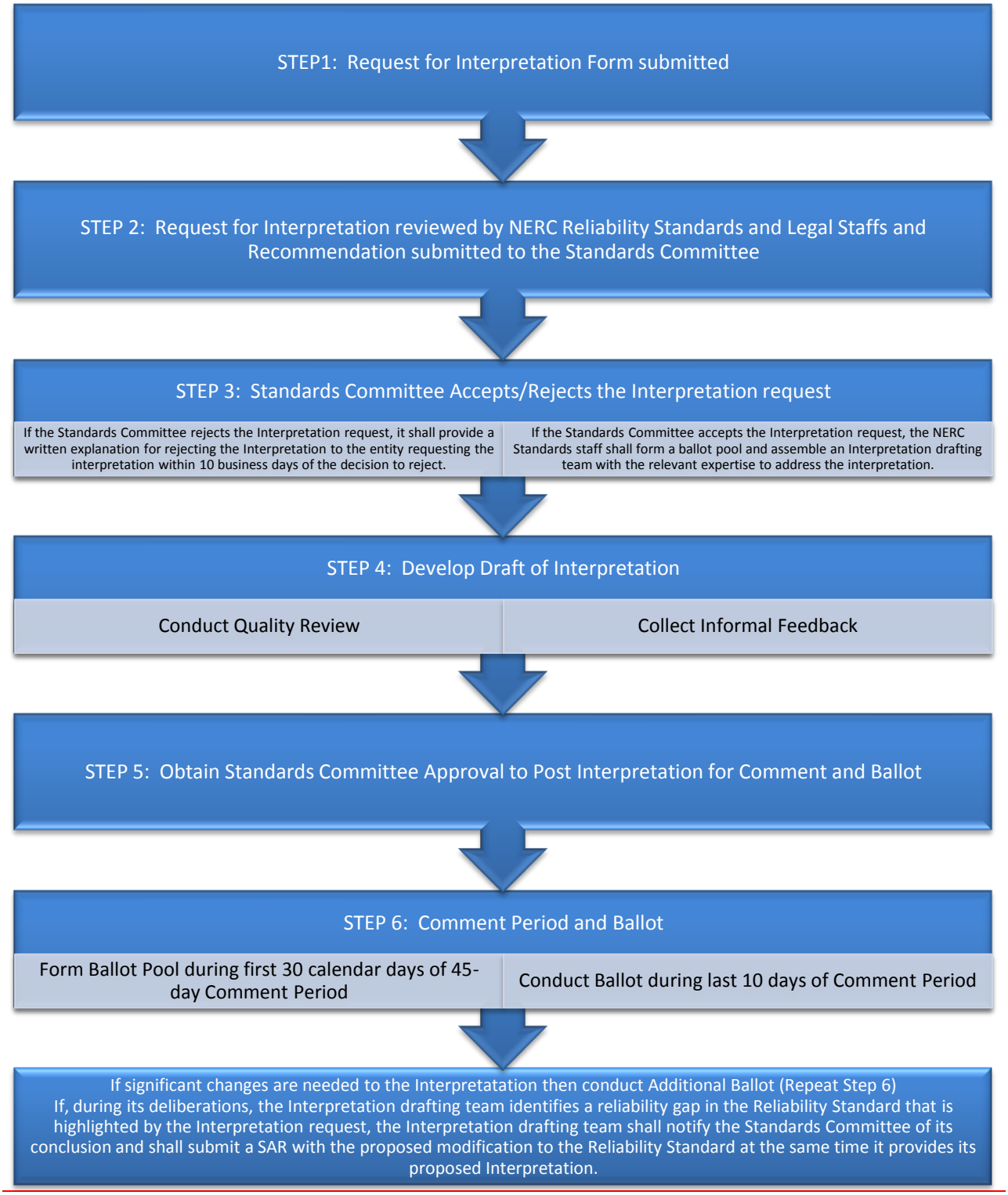
If, during its deliberations, the Interpretation drafting team identifies a reliability gap in the Reliability Standard that is highlighted by the Interpretation request, the Interpretation drafting team shall notify the Standards Committee of its conclusion and shall submit a SAR with the proposed modification to the Reliability Standard at the same time it provides its proposed Interpretation~~, recommending use of the expedited standards development process as appropriate to address any significant reliability gap~~.

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

If approved by its ballot pool, the Interpretation shall be ~~appended to the standard and~~ forwarded to the NERC Board of Trustees for adoption.[43] If an Interpretation drafting team proposes a modification to a Reliability Standard as part of its work in developing an Interpretation, the Board of Trustees shall be notified of this proposal at the time the Interpretation is submitted for adoption. Following adoption by the Board of Trustees, NERC Staff shall file the Interpretation for approval by Applicable Governmental Authorities and the Interpretation shall become effective when approved by those Applicable Governmental Authorities. The Interpretation shall stand until such time as the Interpretation can be incorporated into a future revision of the Reliability Standard or the Interpretation is retired due to a future modification of the applicable Requirement.

[43] NERC will maintain a record of all interpretations associated with each standard on the Reliability Standards page of the NERC website.

~~Processing a Request~~


STEP1: Request for Interpretation Form submitted
STEP 2: Request for Interpretation reviewed by NERC Reliability Standards and Legal Staffs and Recommendation submitted to the Standards Committee
STEP 3: Standards Committee Accepts/Rejects the Interpretation request
If the Standards Committee rejects the Interpretation request, it shall provide a written explanation for rejecting the Interpretation to the entity requesting the interpretation within 10 business days of the decision to reject.
If the Standards Committee accepts the Interpretation request, the NERC Standards staff shall form a ballot pool and assemble an Interpretation drafting team with the relevant expertise to address the interpretation.
STEP 4: Develop Draft of Interpretation
Conduct Quality Review
Collect Informal Feedback
STEP 5: Obtain Standards Committee Approval to Post Interpretation for Comment and Ballot
STEP 6: Comment Period and Ballot
Form Ballot Pool during first 30 calendar days of 45-day Comment Period
Conduct Ballot during last 10 days of Comment Period
If significant changes are needed to the Interpretatation then conduct Additional Ballot (Repeat Step 6)
If, during its deliberations, the Interpretation drafting team identifies a reliability gap in the Reliability Standard that is highlighted by the Interpretation request, the Interpretation drafting team shall notify the Standards Committee of its conclusion and shall submit a SAR with the proposed modification to the Reliability Standard at the same time it provides its proposed Interpretation.

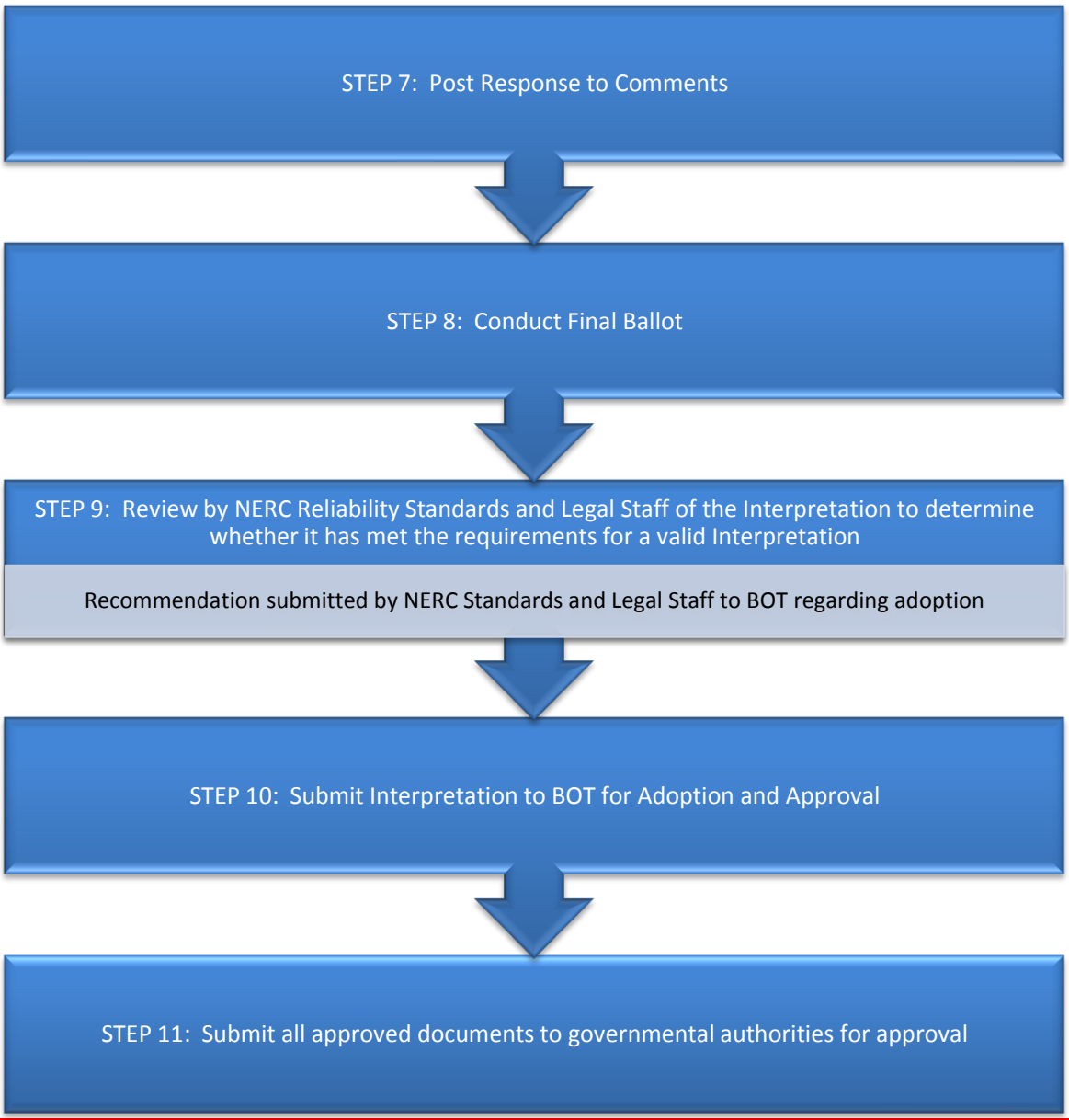


FIGURE 2: Process for Developing an Interpretation

Section 8.0: Process for Appealing an Action or Inaction

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

NOTE: No significant changes are proposed to the Appeals Process and nothing in this manual is intended to prescribe the ability of any entity to appeal any action or inaction resulting from the Standards Process Manual. References to appeals processes in other sections were removed to eliminate redundancy.

The burden of proof to show adverse effect shall be on the appellant. Appeals shall be made in writing within 30 days of the date of the action purported to cause the adverse effect, except appeals for inaction, which may be made at any time. The final decisions of any appeal shall be documented in writing and made public.

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

8.1: Level 1 Appeal

Level 1 is the required first step in the appeals process. The appellant shall submit (to the Director of Standards) a complaint in writing that describes the procedural action or inaction associated with the Reliability Standards process. The appellant shall describe in the complaint the actual or potential adverse impact to the appellant. Assisted by NERC Staff and industry resources as needed, the Director of Standards shall prepare a written response addressed to the appellant as soon as practical but not more than 45 days after receipt of the complaint. If the appellant accepts the response as a satisfactory resolution of the issue, both the complaint and response shall be made a part of the public record associated with the Reliability Standard.

8.2: Level 2 Appeal

If after the Level 1 Appeal the appellant remains unsatisfied with the resolution, as indicated by the appellant in writing to the Director of Standards, the Director of Standards shall convene a Level 2 Appeals Panel. This panel shall consist of five members appointed by the Board of Trustees. In all cases, Level 2 Appeals Panel members shall have no direct affiliation with the participants in the appeal.

The NERC Reliability Standards Staff shall post the complaint and other relevant materials and provide at least 30 days notice of the meeting of the Level 2 Appeals Panel. In addition to the appellant, any entity that is directly and materially affected by the procedural action or inaction referenced in the complaint shall be heard by the panel. The panel shall not consider any expansion of the scope of the appeal that was not presented in the Level 1 Appeal. The panel may, in its decision, find for the appellant and remand the issue to the Standards Committee with a statement of the issues and facts in regard to which fair and equitable action was not taken. The panel may find against the appellant with a specific statement of the facts that demonstrate fair and equitable treatment of the appellant and the appellant's objections. The panel may not, however, revise, approve, disapprove, or adopt a Reliability Standard, definition, Variance or Interpretation or implementation plan as these responsibilities remain with the ballot pool and Board of Trustees respectively. The actions of the Level 2 Appeals Panel shall be publicly posted.

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

Section 9.0: Process for Developing a Variance

No significant changes are proposed to Section 9.0.

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

NERC's drafting teams shall aim to develop Reliability Standards with Requirements that apply on a continent-wide basis, minimizing the need for Variances while still achieving the Reliability Standard's reliability objectives. If one or more Requirements cannot be met or complied with as written because of a physical difference in the Bulk Power System or because of an operational difference (such as a conflict with a federally or provincially approved tariff), but the Requirement's reliability objective can be achieved in a different fashion, an entity or a group of entities may pursue a Variance from one or more Requirements in a continent-wide Reliability Standard. It is the responsibility of the entity that needs a Variance to identify that need and initiate the processing of that Variance through the submittal of a SAR[44] that includes a clear definition of the basis for the Variance.

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

9.1: Interconnection-wide Variances

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

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

An Interconnection-wide Variance from a NERC Reliability Standard that is determined by NERC to be just, reasonable, and not unduly discriminatory or preferential, and in the public interest, and consistent with other applicable standards of governmental authorities shall be made part of the associated NERC Reliability Standard. NERC shall rebuttably presume that an Interconnection-wide Variance from a NERC Reliability Standard that is developed, in accordance with a Regional Reliability Standards development procedure approved by NERC, by a Regional Entity organized on an Interconnection-wide basis, is just, reasonable, and not unduly discriminatory or preferential, and in the public interest.

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

Any Variance from a NERC Reliability Standard Requirement that is proposed to apply to one or more entities but less than an entire Interconnection (*e.g.*, a Variance that would apply to a regional transmission organization or particular market or to a subset of Bulk Power System owners, operators, or users), shall be considered a Variance. A Variance may be requested while a Reliability Standard is

[44] A sample of a SAR that identifies the need for a Variance and a sample Variance are posted as resources on the Reliability Standards Resources web page.

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

~~Expedited Standards Development Process~~

~~NERC may need to develop a new or modified standard, VRFs, VSLs, definition, variance, or implementation plan[45] under specific time constraints (such as to meet a time constrained regulatory directive) or to meet an urgent reliability issue such that there isn't sufficient time to follow all the steps in the normal standards development process. Under those conditions, the Standards Committee shall have the authority to approve any of the following actions to expedite development:~~

- ~~Shorten the 45-day formal comment period~~
- ~~Shorten the 30-day period for forming the ballot pool~~
- ~~Allow significant modifications following the initial ballot without the need for another formal comment period provided the modifications are highlighted before conducting any successive ballot~~

~~Shorten any of the~~

~~[45] For the remainder of the description of the expedited standards development process, where the word, "standard" is used, the same process can be applied to a definition, variance, or implementation plan.~~

- Section 10 day ballot windows

If a new or modified standard is developed, approved by its ballot pool, and subsequently adopted by the NERC Board of Trustees through this expedited process, one of the following three actions shall occur[46]:

- If the standard is to be made permanent without additional substantive changes, then a SAR and a proposed standard shall be submitted to the standards staff immediately after the ballot. The project shall be added to the list of approved projects and shall proceed through the regular standard development process, including balloting by stakeholders, without any intentional delay.
- If the standard is to be substantively revised or replaced by a new standard, then a project for the new or revised standard shall be added to the list of projects to be added to the Reliability Standard Development Plan. The project shall be initiated as soon as practical after the ballot and the project shall proceed through the regular standard development process, including balloting by stakeholders, as soon as practical but within two years of the date the standard was approved by stakeholders using the expedited process.
- The standard shall be withdrawn through a ballot of the stakeholders within two years of the date the standard was approved by stakeholders using the expedited process.

[46] Abbreviating the final formal comment period or a ballot window violate ANSI's accreditation requirements. The three actions that may be taken to fully process the expedited standard are intended to demonstrate NERC's commitment to meet ANSI's accreditation requirements.

.0: Processes for Developing a Reliability Standard Related to a Confidential Issue

No significant changes are proposed to Section 10.0. Changes were made to conform to Section 2.0 and 3.0.

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

The NERC Board of Trustees may direct the development of a new or revised Reliability Standard to address a national security situation that involves confidential issues. These situations may involve imminent or long-term threats. In general, these Board directives will be driven by information from the President of the United States of America or the Prime Minister of Canada or a national security agency or national intelligence agency of either or both governments indicating (to the ERO) that there is a national security threat to the reliability of the Bulk Power System[47] ~~.~~[48]

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

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

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

All members of the Registered Ballot Body shall have the opportunity to join the ballot pool.

10.2: Drafting Team Selection

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

~~**Standards Committee Authority**~~

~~Depending upon the level of urgency, the Standards Committee's Officers may authorize reducing or eliminating the 35-day pre-ballot review period, and may reduce the duration of both the initial ballot and the recirculation ballots to as few as 5 days, and shall allow significant modifications between the initial ballot and the recirculation ballot.~~

[47] ~~The NERC board may direct the immediate development and issuance of an Essential Action alert and then may also direct the immediate development of a new or revised reliability standard.~~

[48] The NERC Board may direct the immediate development and issuance of a Level 3 (Essential Action) alert and then may also direct the immediate development of a new or revised Reliability Standard.

10.3: Work of Drafting Team

The Reliability Standard drafting team shall perform all its work under strict security and confidential rules. The Reliability Standard drafting team shall develop the new or revised ~~standard,~~ Reliability Standard and its implementation plan~~, and working with NERC staff shall develop associated VRFs and VSLs~~.

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

10.4: Formal Stakeholder Comment & Ballot Window

The draft ~~standard,~~ Reliability Standard and its implementation plan ~~and VRFs and VSLs~~ shall be distributed for a formal comment period, under strict confidentiality rules, only to those entities that are listed in the NERC Compliance Registry to perform one of the functions identified in the applicability section of the Reliability Standard and have identified individuals from their organizations that have signed confidentiality agreements with NERC.[49] At the same time, the Reliability Standard shall be distributed to the members of the ballot pool for review and ballot. The NERC Reliability Standards Staff shall not post or provide the ballot pool with any confidential background information.

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

10.5: Board of Trustee Actions

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

10.6: Governmental Approvals

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

[49] In this phase of the process, only the proposed Reliability Standard shall be distributed to those entities expected to comply, not the rationale and justification for the ~~standard.~~Reliability Standard. Only the special drafting team members, who have the appropriate security credentials, shall have access to this rationale and justification.

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

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

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

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

10.9: Drafting Team Selection

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

10.10: Work of Drafting Team

The drafting team shall perform all its work under strict security and confidential rules. The Reliability Standard drafting team shall develop the new or revised ~~standard,~~ Reliability Standard and its implementation plan~~, and working with NERC staff shall develop associated VRFs and VSLs~~.

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

10.11: Formal Stakeholder Comment & Ballot Window

The draft ~~standard,~~ Reliability Standard and its implementation plan ~~and VRFs and VSLs~~ shall be distributed for a formal comment period, under strict confidentiality rules, only to those entities that are listed in the NERC Compliance Registry to perform one of the functions identified in the applicability section of the Reliability Standard and have identified individuals from their organizations that have signed confidentiality agreements with NERC.[50] At the same time, the Reliability Standard shall be distributed to the members of the ballot pool for review and ballot. The NERC Reliability Standards Staff shall not post or provide the ballot pool with any confidential background information.

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

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

10.13: Board of Trustee Action

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

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

10.14: Governmental Approvals

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

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

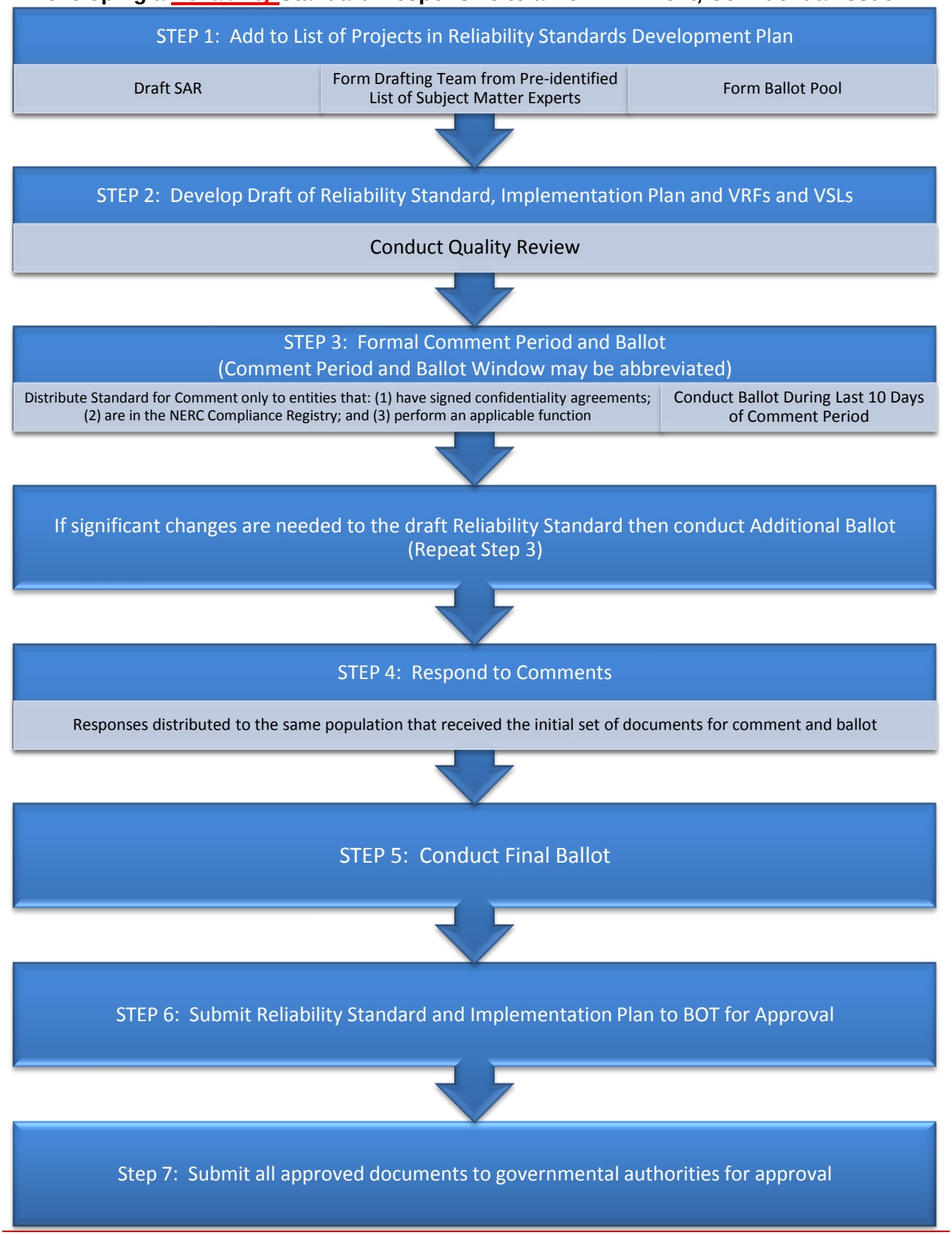


FIGURE 4: Developing a Standard Responsive to a Non-Imminent, Confidential Issue

Section 11.0: Process for Approving Supporting Documents

No significant changes are proposed to Section 11.0.

The following types of documents are samples of the types of supporting documents that may be developed to enhance stakeholder understanding and implementation of a Reliability Standard. These documents may explain or facilitate implementation of Reliability Standards but do not themselves contain mandatory Requirements subject to compliance review. Any Requirements that are mandatory shall be incorporated into the Reliability Standard in the Reliability Standard development process.

While most supporting documents are developed by the drafting team working to develop the associated Reliability Standard, any entity may develop a supporting document associated with a Reliability Standard.

The Standards Committee shall authorize the posting of all supporting references[51] that are linked to an approved Reliability Standard. Prior to granting approval to post a supporting reference with a link to the associated Reliability Standard, the Standards Committee shall verify that the document has had stakeholder review to verify the accuracy of the technical content. While the Standards Committee has the authority to approve the posting of each such reference, stakeholders, not the Standards Committee, verify the accuracy of the document's contents.

Type of Document	Description
Reference	Descriptive, technical information or analysis or explanatory information to support the understanding and interpretation of a Reliability Standard. A standard reference may support the implementation of a Reliability Standard or satisfy another purpose consistent with the reliability and market interface principles.
Guideline	Recommended process that identifies a method of meeting a Requirement under specific conditions.
Supplement	Data forms, pro forma documents, and associated instructions that support the implementation of a Reliability Standard.
Training Material	Documents that support the implementation of a Reliability Standard.
Procedure	Step-wise instructions defining a particular process or operation. Procedures may support the implementation of a Reliability Standard or satisfy another purpose consistent with the reliability and market interface principles.
White Paper	An informal paper stating a position or concept. A white paper may be used to propose preliminary concepts for a Reliability Standard or one of the documents above.

[51] The Standards Committee's Procedure for Approving the Posting of Reference Documents is posted on the Reliability Standards Resources web page.

Section 12.0: Process for Correcting Errata

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

These changes explicitly reference possible time periods for errata to be made.

Section 13.0: Process for Conducting ~~Five-Year Review~~Periodic Reviews of Reliability Standards

~~Each reliability standard developed through NERC's~~All Reliability Standards shall be reviewed at least once every ten years from the effective date of the Reliability Standard or the date of the latest Board of Trustees adoption to a revision of the Reliability Standard, whichever is later. If a Reliability Standard s is approved by ANSI~~ accredited standards development process~~ as an American National Standard, it shall be reviewed at least once every five years from the effective date of the Reliability Standard or the date of the latest Board of Trustees adoption to a revision of the Reliability Standard, whichever is later.

Rationale: The purpose of the revisions to Section 13.0 is to limit the five year review of standards to only American National Standards. All other standards will be reviewed on a ten year cycle. This is consistent with ANSI requirements and will allow for efficiency gains. The Standards Committee has the authority to provide for a review of any standard on an as-needed basis.

Please note that NERC currently does not have any standards that have been submitted to ANSI for approval as American National Standards.

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

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

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

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

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

Section 14.0: Public Access to Reliability Standards Information

14.1: Online Reliability Standards Information System

The NERC Reliability Standards Staff shall maintain an electronic copy of information regarding currently proposed and currently in effect Reliability Standards. This information shall include current Reliability Standards in effect, proposed revisions to Reliability Standards, and proposed new Reliability Standards. This information shall provide a record, for at a minimum the previous five years, of the review and approval process for each Reliability Standard, including public comments received during the development and approval process.

No changes are proposed to Section 14.0.

14.2: Archived Reliability Standards Information

The NERC Staff shall maintain a historical record of Reliability Standards information that is no longer maintained online. Archived information shall be retained indefinitely as practical, but in no case less than five years or one complete standard cycle from the date on which the Reliability Standard was no longer in effect. Archived records of Reliability Standards information shall be available electronically within 30 days following the receipt by the NERC Reliability Standards Staff of a written request.

Section 15.0: Process for Updating Standards Processes

15.1: Requests to Revise the Standard Processes Manual

No changes are proposed to Section 15.0.

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

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

a. Submit the revised process or processes for ballot pool approval;
b. Repeat the posting for additional inputs after making changes based on comments received;
c. Remand the proposal to the sponsor for further work; or
d. Reject the proposal.

The Registered Ballot Body shall be represented by a ballot pool. The ballot procedure shall be the same as that defined for approval of a Reliability Standard, including the use of ~~a recirculation~~an Additional Ballot if needed. If the proposed revision is approved by the ballot pool, the Standards Committee shall submit the revised procedure to the Board for adoption. The Standards Committee shall submit to the Board a description of the basis for the changes, a summary of the comments received, and any minority views expressed in the comment and ballot process. The proposed revisions shall not be effective until approved by the NERC Board of Trustees and Applicable Governmental Authorities.

Section 16.0: Waiver

The waiver provision has been added to allow the Standards Committee some flexibility in administering the Standards Process to meet reliability needs. This flexibility will increase both efficiency and effectiveness of standards delivery.

Additional language has been added to the waiver provision to address process and notice concerns regarding the exercise of a waiver.

Addition of a waiver provision to create this flexibility is responsive to SPIG Recommendations 1 and 5 and the following suggestion: *"Improve efficiencies (to avoid taking too long)"*

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

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

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

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

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

Action on the waiver request will be included in the minutes of the Standards Committee. Following the approval of the Standards Committee to waive any provision of the Standard Process Manual, the Standards Committee will report this decision to the Standards Oversight and Technology Committee.[52] Actions taken pursuant to an approved waiver request will be posted on the Standard Project page and included in the next project announcement.

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

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

[52] Any entity may appeal a waiver decision or any other procedural decision by the Standards Committee pursuant to Section 8.0 of the NERC Standard Processes Manual.