

Agenda

Standards Committee Meeting

September 18, 2024 | 10:00 a.m. – 3:00 p.m. Central

American Transmission Company
W234 N2000 Ridgeview Parkway Court
Waukesha, WI 53187-0047

Click here to: [Register for Webinar](#)

[NERC Antitrust Compliance Guidelines](#), [Public Announcement](#), and [Participant Conduct Policy](#)

Introduction and Chair's Remarks

Agenda Items

1. **Review September 18, 2024, Agenda* - Approve** – Todd Bennett, *SC Chair*
2. **Consent Agenda* - Approve** – Todd Bennett, *SC Chair*
 - a. August 21, 2024, Standards Committee Meeting Minutes*
 - b. September 6, 2024, Standards Committee Executive Committee Minutes*
3. **Quarterly Standards Committee Training* - Informational**
 - a. Governance* - Alison Oswald, *NERC Staff*
 - b. Parliamentary Procedures* - Alain Rigaud, *NERC Staff*
4. **Project 2020-06 Verifications of Models and Data for Generators* **NON-PUBLIC** - Appoint** – Jamie Calderon, *NERC Staff*
5. **Project 2023-09 Risk Management for Third-party Cloud Services Supplemental Nomination(s)* **NON-PUBLIC** - Appoint** – Margo Caley, *ISO/RTO Council (IRC) Committee Member*
6. **Project 2022-03 Energy Assurance with Energy-Constrained Resources* - Authorize** – Jamie Calderon, *NERC Staff*
 - a. TOP-003-7*
 - b. Implementation Plan*
7. **RSTC Response to Delayed CIP-013-2 Standard Authorization Request* - Discuss** – Alison Oswald, *NERC Staff*
 - a. CIP-013-2 Standard Authorization Request*
 - b. RSTC Letter to SC CIP-013 SAR*
 - c. NERC RSTC SCWG Gap Assessment Presentation*

- 8. Technical Conference Update – Informational** – Todd Bennett, *SC Chair*
- 9. Standing Committee Self-Assessment* - Informational** – *NERC Legal Staff*
- 10. Projects Under Review* - Review**
 - a. [Project Tracking Spreadsheet](#) - Mike Brytowski, *PMOS Chair*
 - b. [Projected Posting Schedule & Three-Month Outlook](#) - Nasheema Santos, *NERC Staff*
 - c. Project Prioritization Update – Alison Oswald, *NERC Staff*
 - d. Fast Track Update* – Soo Jin Kim, *NERC Staff*
- 11. Legal Update and Upcoming Standards Filings* - Review** – Alain Rigaud, *NERC Staff*
- 12. High Priority Project Updates**
 - a. Project 2023- 07 Transmission System Planning Performance Requirements for Extreme Weather – Evan Wilcox, *DT Chair*
 - b. Project 2023-04 Modifications to CIP-003 - Tony Hall and Jay Cribb, *DT Chair and Vice Chair*
 - c. Project 2023-06 CIP-014 Risk Assessment Refinement – Pat Quinn, *DT Vice Chair*
- 13. Subcommittee Updates**
 - a. Project Management and Oversight Subcommittee (PMOS) – Mike Brytowski, *PMOS Chair*
 - b. Standards Committee Process Subcommittee (SCPS) – Troy Brumfield, *SC Vice Chair*
 - c. Standing Committees Coordinating Group (SCCG) – Todd Bennett, *SC Chair*
 - d. Reliability and Security Technical Committee (RSTC) – Venona Greaff, *SC Member*
 - e. NERC Board of Trustees – Sue Kelly, *NERC Board of Trustees*
- 14. Informational Items* - Enclosed**
 - a. Standards Committee Expectations*
 - b. [2024 SC Meeting Schedule](#)
 - c. [2024 Standards Committee Roster](#)
 - d. Highlights of Parliamentary Procedure*
- 15. Adjournment***

*Background materials included.

Minutes

Standards Committee Meeting

T. Bennett, chair, called to order the meeting of the Standards Committee (SC or the Committee) on August 21, 2024, at 1:01 p.m. Eastern. D. Love called roll and determined the meeting had a quorum. The SC member attendance and proxy sheets are attached as Attachment 1.

NERC Antitrust Compliance Guidelines and Public Announcement

D. Love called attention to the NERC Antitrust Compliance Guidelines and the public meeting notice and directed questions to NERC's General Counsel, Sonia C. Rocha.

Introduction and Chair's Remarks

T. Bennett welcomed the Committee, guests, and proxies to the meeting.

Review August 21, 2024 Agenda (agenda item 1)

The Committee approved the August 21, 2024 meeting agenda.

Consent Agenda (agenda item 2)

The Committee approved the July 17, 2024 Standards Committee Meeting Minutes.

Projects Under Development (agenda item 3)

C. Yeung reviewed the Project Tracking Spreadsheet. It was mentioned that most of the drafting team (DT) for Project 2021-01 will not proceed with the Federal Energy Regulatory Commission (FERC) Order 901 Milestone 3 Standard Authorization Request (SAR). N. Santos reviewed the Project Posting Schedule and three-month outlook. S. Kim provided an update on the Fast Track Project and proposed providing the Committee with a formal process to the September SC Meeting.

FERC Order No. 901 Milestone 2 and Board of Trustees (agenda item 4)

S. Kim provided an update on the NERC Board of Trustees decision to invoke option 1 of Rule 321 from the NERC Rules of Procedure. Details were provided about industry having one-more attempt at drafting a Reliability Standard and 45-day window to submit a Reliability Standard. S. Kelly provided an update on behalf of the Board of Trustees that the path chosen was the 60% option which requires the SC to conduct a Technical Conference to go out for one-last ballot. The Board of Trustees wants industry to continue to take the lead on reaching a consensus standard. J. Calderon presented the details of the Technical Conference. There were discussions about the intent on revising the standard from the issues from the most-recent failed ballot.

Project 2022-02 Uniform Modeling Framework for IBR (agenda item 5)

J. Calderon provided an overview. S. Rueckert made a motion to appoint supplemental members to the Project 2022-02 drafting team (DT), as recommended by NERC staff.

The committee approved the motion with no oppositions and no abstentions.

Project 2024-01 Rules of Procedure Definitions Alignment (Generator Owner/Generator Operator) (agenda item 6)

J. Calderon provided an overview and mentioned that this project has two assigned SARs. M. Hostler made a motion to accept the motion to appoint chair, vice chair, and members to the Project 2024-01 Rules of Procedure Definitions Alignment (Generator Owner and Generator Operator) DT as recommended by NERC staff. C. Fritz proposed amending the motion by replacing candidate 7 or 10 as chair. J. Calderon mentioned that candidates 7 and 10 were not interested nor had the time to serve as chair. M. Hostler did not accept C. Fritz's amendment. There were additional discussions about the recommended slate. R. Blohm proposed amending the motion to add candidate 11. M. Hostler accepted the amendment to the motion. There was continued discussion about the amended motion. A. Casuscelli called the question. T. Bennett called a vote by roster. The Committee voted in favor of the motion to appoint chair, vice chair, and members to the Project 2024-01 Rules of Procedure Definitions Alignment (Generator Owner and Generator Operator) DT with an amendment to add candidate 11.

The committee approved the amended motion with Claudine Fritz, Proxy Peter Dawson, and Paul MacDonald opposed. Terri Pyle and Maggy Powell abstained.

Project 2024-03 Revisions to EOP-012-2 (agenda item 7)

A. Oswald provided an overview and mentioned that six of the recommended slate were from Project 2021-07 Extreme Cold Weather Grid Operations, Preparedness, and Coordination DT. J. Howell made a motion to appoint chair, vice chair, and members to the Project 2024-03 Revisions to EOP-012-2 DT with a revision to add candidate 17. An observer raised a point of order on the previous motion about Robert's Rules in regards to making friendly or formal amendments to motion(s). R. Blohm proposed amending the motion to add candidate 16. The amendment did not receive a second vote. R. Blohm proposed amending the motion to replace candidate 7 with candidate 15. J. Howell accepted the amendment to the motion. There was discussion in regard to the Committee discounting NERC's work with their due diligence in their recommendations and allowing candidates with no DT experience an opportunity to serve on DT. The Committee voted in favor of the amended motion to replace candidate 7 with candidate 15. The Committee voted in favor of the motion to appoint chair, vice chair, and members as originally stated to the Project 2024-03 Revisions to EOP-012-2 DT with a revision to add candidate 17 with an amendment to replace candidate 7 with candidate 15.

The committee approved the amended motion with no abstentions. Proxy Peter Dawson, Maggy Powell, Venona Greaff, Robert Blohm, Paul MacDonald, and William Chambliss opposed.

Reliability Standards Development Plan (agenda item 8)

J. Calderon provided an update.

Update Legal Update and Upcoming Standards Filings (agenda item 9)

A. Rigaud provided an update.

A. Rigaud mentioned that we may need to revisit agenda item 6 but it appeared that quorum was lost. D. Love confirmed that there were 11 members left in the meeting. S. Kelly commented that quorum was

established at the beginning of the meeting. D. Love explained the issue that was raised in regard to agenda item 6 not receiving a second to the amendment to the motion. R. Blohm commented that M. Hostler seconded the amendment and M. Hostler agreed.

Adjournment

The meeting adjourned at 3:40 p.m. Eastern.

Standards Committee

2024 Segment Representatives

Segment and Terms	Representative	Organization	Proxy	Present (Member or Proxy)
Chair 2024-25	Todd Bennett* Managing Director, Reliability Compliance & Audit Services	Associated Electric Cooperative, Inc.		y
Vice Chair 2024-25	Troy Brumfield* Regulatory Compliance Manager	American Transmission Company		y
Segment 1-2024-25	Charlie Cook Lead Compliance Analyst	Duke Energy		y
Segment 1-2023-24	Amy Casuscelli Manager, Reliability Assurance & Risk Management	Xcel Energy		y
Segment 2-2024-25	Jamie Johnson Infrastructure Compliance Manager	California ISO	Monika Montez	y
Segment 2-2023-24	Charles Yeung Executive Director Interregional Affairs	Southwest Power Pool		y
Segment 3-2024-25	Claudine Fritz Principal Compliance Specialist	Exelon Corporation		y
Segment 3-2023-24	Vicki O' Leary Director – Reliability, Compliance, and Implementation	Eversource Energy		y
Segment 4-2024-25	Marty Hostler Reliability Compliance Manager	Northern California Power Agency		y
Segment 4-2023-24	Patti Metro* Senior Grid Operations & Reliability Director	National Rural Electric Cooperative Associate	Peter Dawson	y
Segment 5-2024-25	Terri Pyle* Utility Operational Compliance and NERC Compliance Office	Oklahoma Gas and Electric		y
Segment 5-2023-24	Jim Howell Sr Director, Strategy	Treaty Oak Clean Energy		y

Segment and Terms	Representative	Organization	Proxy	Present (Member or Proxy)
Segment 6-2024-25	Peter Yost Manager NERC Reliability Compliance	Con Edison Company of New York, Inc.		y
Segment 6-2023-24	Justin Welty Senior Manager, NERC Reliability Standards	NextEra Energy		y
Segment 7-2024-25	Maggy Powell Principal Security Industry Specialist, Energy & Utilities	Amazon Web Services		y
Segment 7-2023-24	Venona Greaff* Senior Energy Analyst	Occidental Chemical Corporation		y
Segment 8-2024-25	Robert Blohm ¹ Managing Director	Keen Resources Ltd.		y
Segment 8-2023-24	Philip Winston Retired (Southern Company)	Independent		n
Segment 9-2024-25	Paul MacDonald Director Reliability Standards, Compliance and Enforcement	New Brunswick Energy and Utilities Board		y
Segment 9-2023-24	William Chambliss General Counsel	Virginia State Corporation Commission		y
Segment 10-2024-25	Dave Krueger Senior Program Manager, Operations	SERC Reliability Corporation		y
Segment 10-2023-24	Steven Rueckert Director of Standards	WECC		y

¹ Serving as Canadian Representative

*Denotes SC Executive Committee Member

Minutes

Standards Committee Executive Committee

Special Call

T. Bennett, chair, called to order the meeting of the Standards Committee Executive Committee (SCEC) on September 6, 2024, at 10:31 a.m. Eastern. D. Love called roll and determined the meeting had a quorum. The SCEC member attendance and proxy sheets are attached as Attachment 1.

NERC Antitrust Compliance Guidelines and Public Announcement

D. Love called attention to the NERC Antitrust Compliance Guidelines and the public meeting notice and directed questions to NERC's General Counsel, Sonia C. Rocha.

Introduction and Chair's Remarks

T. Bennett welcomed the Committee, guests, and proxies to the meeting.

Review September 6, 2024 Agenda (agenda item 1)

The SCEC approved the September 6, 2024 meeting agenda.

Project 2024-03 Revisions to EOP-012-2 (agenda item 2)

A. Oswald provided an overview of the project background. V. Greaff made a motion to authorize drafting revisions to the Reliability Standard(s) as identified in the Project 2024-03 Revisions to EOP-012-2 Standard Authorization Request.

The SCEC approved the motion with no oppositions and no abstentions.

Adjournment

The meeting adjourned at 10:36 a.m. Eastern.

Standards Committee Executive Committee

Segment and Terms	Representative	Organization	Proxy	Present (Member or Proxy)
Chair 2024-25	Todd Bennett Managing Director, Reliability Compliance & Audit Services	Associated Electric Cooperative, Inc.		y
Vice Chair 2024-25	Troy Brumfield Regulatory Compliance Manager	American Transmission Company		y
Segment 4-2023-24	Patti Metro Senior Grid Operations & Reliability Director	National Rural Electric Cooperative Associate		y
Segment 5-2024-25	Terri Pyle Utility Operational Compliance and NERC Compliance Office	Oklahoma Gas and Electric		y
Segment 7-2023-24	Venona Greaff Senior Energy Analyst	Occidental Chemical Corporation		y

Quarterly Standards Committee (SC) Training

Action

Informational

Summary

NERC Staff and NERC Legal will provide refresher training on the purpose of the SC, common actions in the Standards Process Manual, and Robert's Rules of Procedure

Project 2020-06 Verifications of Models and Data for Generators

Action

Appoint supplemental members to the Project 2020-06 drafting team (DT), as recommended by NERC staff.

Background

The Federal Energy Regulatory Commission (FERC) Order No. 901 – Milestone 3, Part 2: IBR Model Validation Standard Authorization Request (SAR) is intended to address FERC Order No. 901 directives related to modeling validation (and verification) activities by utilizing actual performance data, including performance of Inverter-Based Resources (IBR) performance during a disturbance. This project will help ensure the facility's model(s) reflect(s) the in-service equipment throughout the lifecycle of the IBR facility. To comply with the FERC Order No. 901 directives, NERC must file new or revised Reliability Standards or definitions developed under Milestone 3 with FERC by November 4, 2025.

At the July 21, 2021 meeting, the Standards Committee (SC) accepted the original SAR assigned to Project 2020-06 Verifications of Models and Data for Generators. To date, the DT has proposed revisions to MOD-026 and a new definition for IBRs, to assure alignment between other FERC Order No. 901-related projects. The IBR definition was posted for three ballots, passing on the third (July 12 through August 12, 2024). The IBR definition is currently posted for final ballot September 3 through 12, 2024.

The initial draft of MOD-026 was posted May 20, 2022 through July 6, 2022. Additional drafts were posted November 21, 2022 through January 18, 2023 and June 7, 2023 through July 21, 2023, but it has not passed. The DT will continue to work on the standard and the newly assigned FERC Order No. 901 Milestone 3 Part 2 SAR. Resignations, due to the additional workload assigned to the project with the new Milestone 3 SAR, prompted the request for supplemental DT members.

Summary

NERC received nine (9) nominations from industry and recommends the SC appoint seven (7) individuals to the DT, as they all have the requisite background, experience, and skills.

See the current DT [here](#).

Project 2023-09 Risk Management for Third-Party Cloud Services Supplemental Drafting Team Nomination

Action

Appoint Supplemental Candidate 1 as a supplemental member to the Project 2023-09 Risk Management for Third-Party Cloud Services drafting team.

Background

On July 25, 2023, ISO New England, the ISO-RTO Council IT Committee, and EDF Renewables submitted a Standard Authorization Request (SAR) seeking to revise the Critical Infrastructure Protection (CIP) Reliability Standards to “establish risk-based, outcome-driven requirements that place cloud services on par with other third-party resources already used for CIP-regulated systems including for BES operations and supporting cyber assets” and “allow, but not require, use of cloud services for CIP-regulated systems including BES operations and supporting cyber assets.”

At its December 13, 2023, meeting, the Standards Committee accepted the SAR and authorized soliciting for members of the drafting team. At its July 17, 2024 meeting, the Standards Committee appointed 13 members to the drafting team, with two of the candidates recommended by NERC Staff replaced with other candidates in the final slate. Supplemental Candidate 1, who was Candidate 3 on the July nomination list, was one of the two recommended candidates who was replaced on the final project slate. This individual was replaced with Candidate 24 from the July nomination list. The drafting team has since been working diligently to address comments on the project SAR and prepare for an October technical conference.

Summary

Candidate 24, who was appointed to the drafting team, is a Midcontinent Independent System Operator (MISO) employee who would like to step down from the drafting team due to workload. In order for Segment 2 (Regional Transmission Organizations/Independent System Operators) to continue to be represented on the drafting team, Supplemental Candidate 1 would take the place of Candidate 24. As mentioned above, Supplemental Candidate 1 was on the list of candidates recommended by NERC Staff. Importantly, Supplemental Candidate 1 has been an active observer at all of the standard drafting team meetings and, accordingly, he is ready to step in to avoid a gap in the representation of Segment 2.

Project 2022-03 Energy Assurance with Energy-Constrained Resources

Action

Authorize initial posting of proposed Reliability Standard TOP-003-7 and the associated implementation plan for a 45-day formal comment period. Ballot pools will be formed in the first 30 days with initial ballots and non-binding polls for the associated Violation Risk Factors (VRFs) and Violation Severity Levels (VSLs), conducted during the last 10 days of the comment period.

Background

Project 2022-03 addresses the Operations and Operations Planning Time Horizons Standards Authorization Request (SAR). This project will enhance reliability by requiring entities to perform energy reliability assessments to evaluate energy assurance and develop Corrective Action Plan(s), Operating Plan(s), or other mitigating actions.

The Standards Committee (SC) authorized BAL-007-1 for initial posting in March 2024. The initial draft was posted January 25, 2024 through March 11, 2024, and received 6.08% approval. Feedback received from industry indicated concerns that BAL-007-1 was too prescriptive for the energy reliability assessment, and that the inclusion of seasonal assessments within the standard exceeded the scope of the SAR.

A second draft of BAL-007-1 was posted May 7, 2024 through June 24, 2024, for a 45-day additional comment and ballot period and received 17.19% approval. Commenters expressed concerns regarding the administrative burden requirements being placed on industry. Over the first two ballots, commenters have expressed concern as to whether entities could request data from TOP-003 to complete the energy assessments needed for BAL-007-1. Based on this feedback, the drafting team (DT) modified TOP-003 to include "Near-Term Energy Reliability Assessments". At this time, the DT is seeking authorization from the SC to post TOP-003-7 for an initial comment and ballot period.

A quality review was completed, and comments were received back from Shama Elstein (NERC legal), Ruth Kloecker (ITC) and David Lemmons (Greybeard Compliance Services, LLC).

Summary

NERC staff recommends that the SC authorize a 45-day formal comment period, with ballot pools formed in the first 30 days and parallel initial ballots and non-binding polls on the VRFs and VSLs conducted during the last 10 days of the comment period.

Standard Development Timeline

This section is maintained by the drafting team during the development of the standard and will be removed when the standard is adopted by the NERC Board of Trustees (Board).

Description of Current Draft

This is the 45-day formal comment period with initial ballot.

Completed Actions	Date
Standards Committee approved Standard Authorization Request (SAR) for posting	June 15, 2022
SAR posted for comment	June 22, 2022 – July 21, 2022

Anticipated Actions	Date
45-day formal comment period with initial ballot	September 19 – November 4, 2024
10-day final ballot	November 25 – December 4, 2024
Board adoption	December 13, 2024

New or Modified Term(s) Used in NERC Reliability Standards

This section includes all new or modified terms used in the proposed standard that will be included in the *Glossary of Terms Used in NERC Reliability Standards* upon applicable regulatory approval. Terms used in the proposed standard that are already defined and are not being modified can be found in the *Glossary of Terms Used in NERC Reliability Standards*. The new or revised terms listed below will be presented for approval with the proposed standard. Upon Board adoption, this section will be removed.

Term(s):

Near-Term Energy Reliability Assessment – An Energy Reliability Assessment with an assessment period that begins no later than two days after the operating day and has a minimum duration of five days and a maximum duration of six weeks.

A. Introduction

1. **Title:** Transmission Operator and Balancing Authority Data and Information Specification and Collection
2. **Number:** TOP-003-7
3. **Purpose:** To ensure that each Transmission Operator and Balancing Authority has the data and information it needs to plan, monitor, and assess the operation of its Transmission Operator Area or Balancing Authority Area.
4. **Applicability:**
 - 4.1 Functional Entities:
 - 4.1.1 Transmission Operator
 - 4.1.2 Balancing Authority
 - 4.1.3 Generator Owner
 - 4.1.4 Generator Operator
 - 4.1.5 Transmission Owner
 - 4.1.6 Distribution Provider
5. **Effective Date:** See Implementation Plan for Project 2022-03.

B. Requirements and Measures

- R1.** Each Transmission Operator shall maintain documented specification(s) for the data and information necessary for it to perform its Operational Planning Analyses, Real-time monitoring, and Real-time Assessments, and Energy Reliability Assessments. The specification shall include, but not be limited to: *[Violation Risk Factor: Lower] [Time Horizon: Operations Planning]*
- 1.1.** A list of data and information needed by the Transmission Operator to support its Operational Planning Analyses, Real-time monitoring, and Real-time Assessments including non-BES data and information, external network data and information, and identification of the entities responsible for responding to the specification as deemed necessary by the Transmission Operator.
 - 1.2.** Provisions for notification of current Protection System and Remedial Action Scheme (RAS) status or degradation that impacts System reliability.
 - 1.3.** Provisions for notification of BES generating unit(s) during local forecasted cold weather to include:
 - 1.3.1.** Operating limitations based on:
 - 1.3.1.1.** capability and availability;
 - 1.3.1.2.** fuel supply and inventory concerns;
 - 1.3.1.3.** fuel switching capabilities; and
 - 1.3.1.4.** environmental constraints
 - 1.3.2.** Generating unit(s) minimum:
 - 1.3.2.1.** design temperature; or
 - 1.3.2.2.** historical operating temperature; or
 - 1.3.2.3.** current cold weather performance temperature determined by an engineering analysis.
 - 1.4.** Identification of a mutually agreeable process for resolving conflicts.
 - 1.5.** Method(s) for the entity identified in Part 1.1 to provide the data and information that includes at a minimum the following.
 - 1.5.1.** Specified deadlines or periodicity which data and information is to be provided;
 - 1.5.2.** Performance criteria for the availability and accuracy of data and information as applicable;
 - 1.5.3.** Provisions to update or correct data and information, as applicable or necessary;
 - 1.5.4.** A mutually agreeable format;
 - 1.5.5.** Mutually agreeable method(s) for securely transferring data and information.

- M1.** Each Transmission Operator shall make available its dated, current, in force documented specification(s) for data and information.
- R2.** Each Balancing Authority shall maintain documented specification(s) for the data and information necessary for it to perform its analysis functions, Real-time monitoring, and Near-Term Energy Reliability Assessments. The data specification shall include, but not be limited to: *[Violation Risk Factor: Lower] [Time Horizon: Operations Planning]*
 - 2.1.** A list of data and information needed by the Balancing Authority to support its analysis functions, Real-time monitoring, and Near-Term Energy Reliability Assessments, including non-Bulk Electric System data and information, and external network data and information, as deemed necessary by the Balancing Authority, and identification of the entity responsible for responding to the specification.
 - 2.2.** Provisions for notification of current Protection System and Remedial Action Scheme status or degradation that impacts System reliability.
 - 2.3.** Provisions for notification of BES generating unit(s) status during local forecasted cold weather to include:
 - 2.3.1.** Operating limitations based on:
 - 2.3.1.1.** capability and availability;
 - 2.3.1.2.** fuel supply and inventory concerns;
 - 2.3.1.3.** fuel switching capabilities; and
 - 2.3.1.4.** environmental constraints.
 - 2.3.2.** Generating unit(s) minimum:
 - 2.3.2.1.** design temperature; or
 - 2.3.2.2.** historical operating temperature; or
 - 2.3.2.3.** current cold weather performance temperature determined by an engineering analysis.
 - 2.4.** Identification of a mutually agreeable process in resolving conflicts
 - 2.5.** Methods for the entity identified in Part 2.1 to provide data and information that includes at a minimum the following.
 - 2.5.1.** Specific deadlines or periodicity in which data and information is to be provided;
 - 2.5.2.** Performance criteria for the availability and accuracy of data and information, as applicable;
 - 2.5.3.** Provisions to update or correct data and information, as applicable or necessary.
 - 2.5.4.** A mutually agreeable format.

2.5.5. A mutually agreeable method(s) for securely transferring data and information.

- M2.** Each Balancing Authority shall make available its dated, current, in force documented specification(s) for data and information.
- R3.** Each Transmission Operator shall distribute its data and information specification(s) to entities that have data and information required by the Transmission Operator’s Operational Planning Analyses, Real-time monitoring, and Real-time Assessments. *[Violation Risk Factor: Lower] [Time Horizon: Operations Planning]*
- M3.** Each Transmission Operator shall make available evidence that it has distributed its data specification(s) to entities that have data and information required by the Transmission Operator’s Operational Planning Analyses, Real-time monitoring, and Real-time Assessments.

Such evidence could include but is not limited to web postings with an electronic notice of the posting, dated operator logs, voice recordings, postal receipts showing the recipient, date and contents, or e-mail records.

- R4.** Each Balancing Authority shall distribute its data and information specification(s) to entities that have data and information required by the Balancing Authority’s analysis functions, Real-time monitoring, and Near-Term Energy Reliability Assessments. *[Violation Risk Factor: Lower] [Time Horizon: Operations Planning]*
- M4.** Each Balancing Authority shall make available evidence that it has distributed its data specification(s) to entities that have data and information required by the Balancing Authority’s analysis functions, Real-time monitoring, and Near-Term Energy Reliability Assessments. Such evidence could include but is not limited to web postings with an electronic notice of the posting, dated operator logs, voice recordings, postal receipts showing the recipient, or e-mail records.
- R5.** Each Transmission Operator, Balancing Authority, Generator Owner, Generator Operator, Transmission Owner, and Distribution Provider receiving a data and information specification(s) in Requirement R3 or R4 shall satisfy the obligations of the documented specifications. *[Violation Risk Factor: Medium] [Time Horizon: Operations Planning, Same-Day Operations, Real-time Operations]*
- M5.** Each Transmission Operator, Balancing Authority, Generator Owner, Generator Operator, Transmission Owner, and Distribution Provider receiving a specification(s) in Requirement R3 or R4 shall make available evidence that it has satisfied the obligations of the documented specification. Such evidence could include, but is not limited to, electronic or hard copies of data transmittals or attestations of receiving entities.

C. Compliance

1. Compliance Monitoring Process

4.1.1 Compliance Enforcement Authority: “Compliance Enforcement Authority” (CEA) means NERC or the Regional Entity, or any entity as otherwise designated by an Applicable Governmental Authority, in their respective roles of monitoring and/or enforcing compliance with mandatory and enforceable Reliability Standards in their respective jurisdictions.

4.1.2 Evidence Retention: The following evidence retention period(s) identify the period of time an entity is required to retain specific evidence to demonstrate compliance. For instances where the evidence retention period specified below is shorter than the time since the last audit, the CEA may ask an entity to provide other evidence to show that it was compliant for the full time period since the last audit.

Each responsible entity shall keep data or evidence to show compliance as identified below unless directed by its CEA to retain specific evidence for a longer period of time as part of an investigation.

Each Transmission Operator shall retain its dated, current, in force, documented specification for the data and information necessary for it to perform its Operational Planning Analyses, Real-time monitoring, and Real-time Assessments in accordance with Requirement R1 and Measurement M1 as well as any documents in force since the last compliance audit.

Each Balancing Authority shall retain its dated, current, in force, documented specification(s) for the data and information necessary for it to perform its analysis functions and Real-time monitoring in accordance with Requirement R2 and Measurement M2 as well as any documents in force since the last compliance audit.

Each Transmission Operator shall retain evidence for three calendar years that it has distributed its specification(s) to entities that have data required by the Transmission Operator’s Operational Planning Analyses, Real-time monitoring, and Real-time Assessments in accordance with Requirement R3 and Measurement M3.

Each Balancing Authority shall retain evidence for three calendar years that it has distributed its specification(s) to entities that have data required by the Balancing Authority’s analysis functions and Real-time monitoring in accordance with Requirement R4 and Measurement M4.

Each Balancing Authority, Generator Owner, Generator Operator, Transmission Operator, Transmission Owner, and Distribution Provider receiving a specification(s) in Requirement R3 or R4 shall retain evidence for the most

recent 90-calendar days that it has satisfied the obligations of the documented specifications in accordance with Requirement R5 and Measurement M5.

- 4.1.3 Compliance Monitoring and Enforcement Program:** As defined in the NERC Rules of Procedure, “Compliance Monitoring and Enforcement Program” refers to the identification of the processes that will be used to evaluate data or information for the purpose of assessing performance or outcomes with the associated reliability standard.

Violation Severity Levels

R#	Violation Severity Levels			
	Lower VSL	Moderate VSL	High VSL	Severe VSL
R1	The Transmission Operator did not include one or two of the parts (Part 1.1 through Part 1.5) of the documented specification(s) for the data and information necessary for it to perform its Operational Planning Analyses, Real-time monitoring, and Real-time Assessments.	The Transmission Operator did not include three of the parts (Part 1.1 through Part 1.5) of the documented specification(s) for the data and information necessary for it to perform its Operational Planning Analyses, Real-time monitoring, and Real-time Assessments.	The Transmission Operator did not include four of the parts (Part 1.1 through Part 1.5) of the documented specification(s) for the data and information necessary for it to perform its Operational Planning Analyses, Real-time monitoring, and Real-time Assessments.	The Transmission Operator did not include any of the parts (Part 1.1 through Part 1.5) of the documented specification(s) for the data and information necessary for it to perform its Operational Planning Analyses, Real-time monitoring, and Real-time Assessments. OR, The Transmission Operator did not have a documented specification(s) for the data and information necessary for it to perform its Operational Planning Analyses, Real-time monitoring, and Real-time Assessments.
R2	The Balancing Authority did not include two or fewer of the parts (Part 2.1 through Part 2.5) of the documented specification(s) for the data and information necessary for it to perform its analysis functions, Real-time monitoring, and Near-Term Energy Reliability Assessments.	The Balancing Authority did not include three of the parts (Part 2.1 through Part 2.5) of the documented specification(s) for the data and information necessary for it to perform its analysis functions, Real-time monitoring, and Near-Term Energy Reliability Assessments.	The Balancing Authority did not include four of the parts (Part 2.1 through Part 2.5) of the documented specification(s) for the data and information necessary for it to perform its analysis functions, Real-time monitoring, and Near-Term Energy Reliability Assessments.	The Balancing Authority did not include any of the parts (Part 2.1 through Part 2.5) of the documented specification(s) for the data and information necessary for it to perform its analysis functions, Real-time monitoring, and Near-Term Energy Reliability Assessments. OR, The Balancing Authority did not have a documented specification(s) for the data and information necessary for it to perform its analysis functions, Real-time monitoring, and Near-Term Energy Reliability Assessments.

R#	Violation Severity Levels			
	Lower VSL	Moderate VSL	High VSL	Severe VSL
<p>For the Requirement R3 and R4 VSLs only, the intent of the SDT is to start with the Severe VSL first and then to work your way to the left until you find the situation that fits. In this manner, the VSL will not be discriminatory by size of entity. If a small entity has just one affected reliability entity to inform, the intent is that that situation would be a Severe violation.</p>				
R3	<p>The Transmission Operator did not distribute its Specification(s) to one entity, or 5% or less of the entities, whichever is greater, that have data and information required by the Transmission Operator’s Operational Planning Analyses, Real-time monitoring, and Real-time Assessments.</p>	<p>The Transmission Operator did not distribute its Specification(s) to two entities, or more than 5% and less than or equal to 10% of the reliability entities, whichever is greater, that have data and information required by the Transmission Operator’s Operational Planning Analyses, Real-time monitoring, and Real-time Assessments.</p>	<p>The Transmission Operator did not distribute its Specification(s) to three entities, or more than 10% and less than or equal to 15% of the reliability entities, whichever is greater, that have data and information required by the Transmission Operator’s Operational Planning Analyses, Real-time monitoring, and Real-time Assessments.</p>	<p>The Transmission Operator did not distribute its Specification(s) to four or more entities, or more than 15% of the entities that have data and information required by the Transmission Operator’s Operational Planning Analyses, Real-time monitoring, and Real-time Assessments.</p>
R4	<p>The Balancing Authority did not distribute its Specification(s) to one entity, or 5% or less of the entities, whichever is greater, that have data and information required by the Balancing Authority’s analysis functions, Real-time monitoring, and Near-Term Energy Reliability Assessments.</p>	<p>The Balancing Authority did not distribute its Specification(s) to two entities, or more than 5% and less than or equal to 10% of the entities, whichever is greater, that have data and information required by the Balancing Authority’s analysis functions, Real-time monitoring, and Near-Term Energy Reliability Assessments.</p>	<p>The Balancing Authority did not distribute its Specification(s) to three entities, or more than 10% and less than or equal to 15% of the entities, whichever is greater, that have data and information required by the Balancing Authority’s analysis functions, Real-time monitoring, and Near-Term Energy Reliability Assessments.</p>	<p>The Balancing Authority did not distribute its Specification(s) to four or more entities, or more than 15% of the entities that have data and information required by the Balancing Authority’s analysis functions, Real-time monitoring, and Near-Term Energy Reliability Assessments.</p>
R5	<p>The responsible entity receiving a specification(s) in Requirement R3 or R4 satisfied the obligations in the specification but failed to meet one of the parts in</p>	<p>The responsible entity receiving a specification(s) in Requirement R3 or R4 satisfied the obligations in the specification but failed to meet two of the parts in</p>	<p>The responsible entity receiving a specification(s) in Requirement R3 or R4 satisfied the obligations in the specification but failed to meet three or more of the parts in Requirement R1 Part 1.5 or</p>	<p>The responsible entity receiving a specification(s) in Requirement R3 or R4 did not satisfy the obligations of the documented specifications.</p>

R#	Violation Severity Levels			
	Lower VSL	Moderate VSL	High VSL	Severe VSL
	Requirement R1 Part1.5 or Requirement R2 Part 2.5.	Requirement R1 Part 1.5 or Requirement R2 Part 2.5.	Requirement R2 Part 2.5.	

D. Regional Variances

None.

E. Interpretations

None.

F. Associated Documents

None.

Version History

Version	Date	Action	Change Tracking
0	April 1, 2005	Effective Date	New
0	August 8, 2005	Removed “Proposed” from Effective Date	Errata
1		Modified R1.2 Modified M1 Replaced Levels of Non-compliance with the Feb 28, BOT approved Violation Severity Levels (VSLs)	Revised
1	October 17, 2008	Adopted by NERC Board of Trustees	
1	March 17, 2011	Order issued by FERC approving TOP- 003-1 (approval effective 5/23/11)	
2	May 6, 2012	Revised under Project 2007-03	Revised
2	May 9, 2012	Adopted by Board of Trustees	Revised
3	April 2014	Changes pursuant to Project 2014-03	Revised
3	November 13, 2014	Adopted by Board of Trustees	Revisions under Project 2014-03
3	November 19, 2015	FERC approved TOP-003-3. Docket No. RM15-16-000, Order No. 817	
4	February 6, 2020	Adopted by NERC Board of Trustees	Revisions under Project 2017-07
4	October 30, 2020	FERC approved TOP-003-4. Docket No. RD20-4-000	
5	May 2021	Changes pursuant to Project 2019-06	Revised
5	June 11, 2021	Board approved	Project 2019-06 Cold Weather
5	August 24, 2021	FERC approved TOP –003-5 Docket No. RD21-5-000, Order 176	
6	TBD	Adopted by NERC Board of Trustees	Revisions under project 2021-06
6.1	Errata	Approved by the Standards Committee	August 23,2023
6.1	November 2, 2023	FERC Approved TOP-003-6.1 Docket No.RD23-6-000,	

6.1	November 3, 2023	Effective Date	July 1, 2025
7	TBD	Energy Assurance Modifications – Addition of Near-Term ERA.	Revised

Standard Development Timeline

This section is maintained by the drafting team during the development of the standard and will be removed when the standard is adopted by the NERC Board of Trustees (Board).

Description of Current Draft

This is the 45-day formal comment period with initial ballot.

Completed Actions	Date
Standards Committee approved Standard Authorization Request (SAR) for posting	June 15, 2022
SAR posted for comment	June 22, 2022 – July 21, 2022

Anticipated Actions	Date
45-day formal comment period with initial ballot	September 19 – November 4, 2024
10-day final ballot	November 25 – December 4, 2024
Board adoption	December 13, 2024

New or Modified Term(s) Used in NERC Reliability Standards

This section includes all new or modified terms used in the proposed standard that will be included in the *Glossary of Terms Used in NERC Reliability Standards* upon applicable regulatory approval. Terms used in the proposed standard that are already defined and are not being modified can be found in the *Glossary of Terms Used in NERC Reliability Standards*. The new or revised terms listed below will be presented for approval with the proposed standard. Upon Board adoption, this section will be removed.

Term(s):

Near-Term Energy Reliability Assessment – An Energy Reliability Assessment with an assessment period that begins no later than two days after the operating day and has a minimum duration of five days and a maximum duration of six weeks.

B.A. Introduction

1. **Title:** Transmission Operator and Balancing Authority Data and Information Specification and Collection
2. **Number:** TOP-003-~~76.1~~
3. **Purpose:** To ensure that each Transmission Operator and Balancing Authority has the data and information it needs to plan, monitor, and assess the operation of its Transmission Operator Area or Balancing Authority Area.
4. **Applicability:**
 - 4.1 Functional Entities:
 - 4.1.1 Transmission Operator
 - 4.1.2 Balancing Authority
 - 4.1.3 Generator Owner
 - 4.1.4 Generator Operator
 - 4.1.5 Transmission Owner
 - 4.1.6 Distribution Provider
5. **Effective Date:** See Implementation Plan for Project ~~2021-06~~2022-03.

B. Requirements and Measures

- R1.** Each Transmission Operator shall maintain documented specification(s) for the data and information necessary for it to perform its Operational Planning Analyses, Real-time monitoring, and Real-time Assessments, and Energy Reliability Assessments. The specification shall include, but not be limited to: *[Violation Risk Factor: Lower] [Time Horizon: Operations Planning]*
- 1.1.** A list of data and information needed by the Transmission Operator to support its Operational Planning Analyses, Real-time monitoring, and Real-time Assessments including non-BES data and information, external network data and information, and identification of the entities responsible for responding to the specification as deemed necessary by the Transmission Operator.
 - 1.2.** Provisions for notification of current Protection System and Remedial Action Scheme (RAS) status or degradation that impacts System reliability.
 - 1.3.** Provisions for notification of BES generating unit(s) during local forecasted cold weather to include:
 - 1.3.1.** Operating limitations based on:
 - 1.3.1.1.** capability and availability;
 - 1.3.1.2.** fuel supply and inventory concerns;
 - 1.3.1.3.** fuel switching capabilities; and
 - 1.3.1.4.** environmental constraints
 - 1.3.2.** Generating unit(s) minimum:
 - 1.3.2.1.** design temperature; or
 - 1.3.2.2.** historical operating temperature; or
 - 1.3.2.3.** current cold weather performance temperature determined by an engineering analysis.
 - 1.4.** Identification of a mutually agreeable process for resolving conflicts.
 - 1.5.** Method(s) for the entity identified in Part 1.1 to provide the data and information that includes at a minimum the following.
 - 1.5.1.** Specified deadlines or periodicity which data and information is to be provided;
 - 1.5.2.** Performance criteria for the availability and accuracy of data and information as applicable;
 - 1.5.3.** Provisions to update or correct data and information, as applicable or necessary;
 - 1.5.4.** A mutually agreeable format;
 - 1.5.5.** Mutually agreeable method(s) for securely transferring data and information.

- M1.** Each Transmission Operator shall make available its dated, current, in force documented specification(s) for data and information.
- R2.** Each Balancing Authority shall maintain documented specification(s) for the data and information necessary for it to perform its analysis functions, ~~and~~ Real-time monitoring, and Near-Term Energy Reliability Assessments. The data specification shall include, but not be limited to: *[Violation Risk Factor: Lower] [Time Horizon: Operations Planning]*
 - 2.1.** A list of data and information needed by the Balancing Authority to support its analysis functions and Real-time monitoring, and Near-Term Energy Reliability Assessments, including non-Bulk Electric System data and information, and external network data and information, as deemed necessary by the Balancing Authority, and identification of the entity responsible for responding to the specification.
 - 2.2.** Provisions for notification of current Protection System and Remedial Action Scheme status or degradation that impacts System reliability.
 - 2.3.** Provisions for notification of BES generating unit(s) status during local forecasted cold weather to include:
 - 2.3.1.** Operating limitations based on:
 - 2.3.1.1.** capability and availability;
 - 2.3.1.2.** fuel supply and inventory concerns;
 - 2.3.1.3.** fuel switching capabilities; and
 - 2.3.1.4.** environmental constraints.
 - 2.3.2.** Generating unit(s) minimum:
 - 2.3.2.1.** design temperature; or
 - 2.3.2.2.** historical operating temperature; or
 - 2.3.2.3.** current cold weather performance temperature determined by an engineering analysis.
 - 2.4.** Identification of a mutually agreeable process in resolving conflicts
 - 2.5.** Methods for the entity identified in Part 2.1 to provide data and information that includes at a minimum the following.
 - 2.5.1.** Specific deadlines or periodicity in which data and information is to be provided;
 - 2.5.2.** Performance criteria for the availability and accuracy of data and information, as applicable;
 - 2.5.3.** Provisions to update or correct data and information, as applicable or necessary.
 - 2.5.4.** A mutually agreeable format.

2.5.5. A mutually agreeable method(s) for securely transferring data and information.

- M2.** Each Balancing Authority shall make available its dated, current, in force documented specification(s) for data and information.
- R3.** Each Transmission Operator shall distribute its data and information specification(s) to entities that have data and information required by the Transmission Operator’s Operational Planning Analyses, Real-time monitoring, and Real-time Assessments. *[Violation Risk Factor: Lower] [Time Horizon: Operations Planning]*
- M3.** Each Transmission Operator shall make available evidence that it has distributed its data specification(s) to entities that have data and information required by the Transmission Operator’s Operational Planning Analyses, Real-time monitoring, and Real-time Assessments.

Such evidence could include but is not limited to web postings with an electronic notice of the posting, dated operator logs, voice recordings, postal receipts showing the recipient, date and contents, or e-mail records.

- R4.** Each Balancing Authority shall distribute its data and information specification(s) to entities that have data and information required by the Balancing Authority’s analysis functions, ~~and~~ Real-time monitoring, and Near-Term Energy Reliability Assessments. *[Violation Risk Factor: Lower] [Time Horizon: Operations Planning]*
- M4.** Each Balancing Authority shall make available evidence that it has distributed its data specification(s) to entities that have data and information required by the Balancing Authority’s analysis functions, ~~and~~ Real-time monitoring, and Near-Term Energy Reliability Assessments. Such evidence could include but is not limited to web postings with an electronic notice of the posting, dated operator logs, voice recordings, postal receipts showing the recipient, or e-mail records.
- R5.** Each Transmission Operator, Balancing Authority, Generator Owner, Generator Operator, Transmission Owner, and Distribution Provider receiving a data and information specification(s) in Requirement R3 or R4 shall satisfy the obligations of the documented specifications. *[Violation Risk Factor: Medium] [Time Horizon: Operations Planning, Same-Day Operations, Real-time Operations]*
- M5.** Each Transmission Operator, Balancing Authority, Generator Owner, Generator Operator, Transmission Owner, and Distribution Provider receiving a specification(s) in Requirement R3 or R4 shall make available evidence that it has satisfied the obligations of the documented specification. Such evidence could include, but is not limited to, electronic or hard copies of data transmittals or attestations of receiving entities.

C. Compliance

1. Compliance Monitoring Process

4.1.1 Compliance Enforcement Authority: “Compliance Enforcement Authority” (CEA) means NERC or the Regional Entity, or any entity as otherwise designated by an Applicable Governmental Authority, in their respective roles of monitoring and/or enforcing compliance with mandatory and enforceable Reliability Standards in their respective jurisdictions.

4.1.2 Evidence Retention: The following evidence retention period(s) identify the period of time an entity is required to retain specific evidence to demonstrate compliance. For instances where the evidence retention period specified below is shorter than the time since the last audit, the CEA may ask an entity to provide other evidence to show that it was compliant for the full time period since the last audit.

Each responsible entity shall keep data or evidence to show compliance as identified below unless directed by its CEA to retain specific evidence for a longer period of time as part of an investigation.

Each Transmission Operator shall retain its dated, current, in force, documented specification for the data and information necessary for it to perform its Operational Planning Analyses, Real-time monitoring, and Real-time Assessments in accordance with Requirement R1 and Measurement M1 as well as any documents in force since the last compliance audit.

Each Balancing Authority shall retain its dated, current, in force, documented specification(s) for the data and information necessary for it to perform its analysis functions and Real-time monitoring in accordance with Requirement R2 and Measurement M2 as well as any documents in force since the last compliance audit.

Each Transmission Operator shall retain evidence for three calendar years that it has distributed its specification(s) to entities that have data required by the Transmission Operator’s Operational Planning Analyses, Real-time monitoring, and Real-time Assessments in accordance with Requirement R3 and Measurement M3.

Each Balancing Authority shall retain evidence for three calendar years that it has distributed its specification(s) to entities that have data required by the Balancing Authority’s analysis functions and Real-time monitoring in accordance with Requirement R4 and Measurement M4.

Each Balancing Authority, Generator Owner, Generator Operator, Transmission Operator, Transmission Owner, and Distribution Provider receiving a specification(s) in Requirement R3 or R4 shall retain evidence for the most

recent 90-calendar days that it has satisfied the obligations of the documented specifications in accordance with Requirement R5 and Measurement M5.

- 4.1.3 Compliance Monitoring and Enforcement Program:** As defined in the NERC Rules of Procedure, “Compliance Monitoring and Enforcement Program” refers to the identification of the processes that will be used to evaluate data or information for the purpose of assessing performance or outcomes with the associated reliability standard.

Violation Severity Levels

R#	Time-Horizon	VRF	Violation Severity Levels			
			Lower VSL	Moderate VSL	High VSL	Severe VSL
R1	Operations-Planning	Lower	The Transmission Operator did not include one or two of the parts (Part 1.1 through Part 1.5) of the documented specification(s) for the data and information necessary for it to perform its Operational Planning Analyses, Real-time monitoring, and Real-time Assessments.	The Transmission Operator did not include three of the parts (Part 1.1 through Part 1.5) of the documented specification(s) for the data and information necessary for it to perform its Operational Planning Analyses, Real-time monitoring, and Real-time Assessments.	The Transmission Operator did not include four of the parts (Part 1.1 through Part 1.5) of the documented specification(s) for the data and information necessary for it to perform its Operational Planning Analyses, Real-time monitoring, and Real-time Assessments.	The Transmission Operator did not include any of the parts (Part 1.1 through Part 1.5) of the documented specification(s) for the data and information necessary for it to perform its Operational Planning Analyses, Real-time monitoring, and Real-time Assessments. OR, The Transmission Operator did not have a documented specification(s) for the data and information necessary for it to perform its Operational Planning Analyses, Real-time monitoring, and Real-time Assessments.
R2	Operations-Planning	Lower	The Balancing Authority did not include two or fewer of the parts (Part 2.1 through Part 2.5) of the documented specification(s) for the data and information necessary for it to perform its analysis functions, and Real-time monitoring, and	The Balancing Authority did not include three of the parts (Part 2.1 through Part 2.5) of the documented specification(s) for the data and information necessary for it to perform its analysis functions, and Real-time	The Balancing Authority did not include four of the parts (Part 2.1 through Part 2.5) of the documented specification(s) for the data and information necessary for it to perform its analysis functions, and Real-time monitoring, and	The Balancing Authority did not include any of the parts (Part 2.1 through Part 2.5) of the documented specification(s) for the data and information necessary for it to perform its analysis functions, and Real-time monitoring, and

R#	Time-Horizon	VRF	Violation Severity Levels			
			Lower VSL	Moderate VSL	High VSL	Severe VSL
			<u>Near-Term Energy Reliability Assessments.</u>	monitoring, <u>and Near-Term Energy Reliability Assessments.</u>	<u>and Near-Term Energy Reliability Assessments.</u>	<u>Near-Term Energy Reliability Assessments.</u> OR, The Balancing Authority did not have a documented specification(s) for the data and information necessary for it to perform its analysis functions, <u>and</u> Real-time monitoring, <u>and</u> <u>Near-Term Energy Reliability Assessments.</u>
<p>For the Requirement R3 and R4 VSLs only, the intent of the SDT is to start with the Severe VSL first and then to work your way to the left until you find the situation that fits. In this manner, the VSL will not be discriminatory by size of entity. If a small entity has just one affected reliability entity to inform, the intent is that that situation would be a Severe violation.</p>						
R3	Operations-Planning	Lower	The Transmission Operator did not distribute its Specification(s) to one entity, or 5% or less of the entities, whichever is greater, that have data and information required by the Transmission Operator’s Operational Planning Analyses, Real-time monitoring, and Real-time Assessments.	The Transmission Operator did not distribute its Specification(s) to two entities, or more than 5% and less than or equal to 10% of the reliability entities, whichever is greater, that have data and information required by the Transmission Operator’s Operational Planning Analyses, Real-time monitoring, and Real-time Assessments.	The Transmission Operator did not distribute its Specification(s) to three entities, or more than 10% and less than or equal to 15% of the reliability entities, whichever is greater, that have data and information required by the Transmission Operator’s Operational Planning Analyses, Real-time monitoring, and Real-time Assessments.	The Transmission Operator did not distribute its Specification(s) to four or more entities, or more than 15% of the entities that have data and information required by the Transmission Operator’s Operational Planning Analyses, Real-time monitoring, and Real-time Assessments.
R4	Operations Planning	Lower	The Balancing Authority did not distribute its Specification(s) to one	The Balancing Authority did not distribute its Specification(s) to two	The Balancing Authority did not distribute its Specification(s) to three	The Balancing Authority did not distribute its Specification(s) to four or

R#	Time-Horizon	VRF	Violation Severity Levels			
			Lower VSL	Moderate VSL	High VSL	Severe VSL
			entity, or 5% or less of the entities, whichever is greater, that have data and information required by the Balancing Authority’s analysis functions, and Real-time monitoring, <u>and Near-Term Energy Reliability Assessments.</u>	entities, or more than 5% and less than or equal to 10% of the entities, whichever is greater, that have data and information required by the Balancing Authority’s analysis functions, and Real-time monitoring, <u>and Near-Term Energy Reliability Assessments.</u>	entities, or more than 10% and less than or equal to 15% of the entities, whichever is greater, that have data and information required by the Balancing Authority’s analysis functions, and Real-time monitoring, <u>and Near-Term Energy Reliability Assessments.</u>	more entities, or more than 15% of the entities that have data and information required by the Balancing Authority’s analysis functions, and Real-time monitoring, <u>and Near-Term Energy Reliability Assessments.</u>
R5	Operations-Planning, Same-Day-Operations, Real-time-Operations	Medium	The responsible entity receiving a specification(s) in Requirement R3 or R4 satisfied the obligations in the specification but failed to meet one of the parts in Requirement R1 Part 1.5 or Requirement R2 Part 2.5.	The responsible entity receiving a specification(s) in Requirement R3 or R4 satisfied the obligations in the specification but failed to meet two of the parts in Requirement R1 Part 1.5 or Requirement R2 Part 2.5.	The responsible entity receiving a specification(s) in Requirement R3 or R4 satisfied the obligations in the specification but failed to meet three or more of the parts in Requirement R1 Part 1.5 or Requirement R2 Part 2.5.	The responsible entity receiving a specification(s) in Requirement R3 or R4 did not satisfy the obligations of the documented specifications.

D. Regional Variances

None.

E. Interpretations

None.

F. Associated Documents

None.

Version History

Version	Date	Action	Change Tracking
0	April 1, 2005	Effective Date	New
0	August 8, 2005	Removed “Proposed” from Effective Date	Errata
1		Modified R1.2 Modified M1 Replaced Levels of Non-compliance with the Feb 28, BOT approved Violation Severity Levels (VSLs)	Revised
1	October 17, 2008	Adopted by NERC Board of Trustees	
1	March 17, 2011	Order issued by FERC approving TOP- 003-1 (approval effective 5/23/11)	
2	May 6, 2012	Revised under Project 2007-03	Revised
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3	November 13, 2014	Adopted by Board of Trustees	Revisions under Project 2014-03
3	November 19, 2015	FERC approved TOP-003-3. Docket No. RM15-16-000, Order No. 817	
4	February 6, 2020	Adopted by NERC Board of Trustees	Revisions under Project 2017-07
4	October 30, 2020	FERC approved TOP-003-4. Docket No. RD20-4-000	
5	May 2021	Changes pursuant to Project 2019-06	Revised
5	June 11, 2021	Board approved	Project 2019-06 Cold Weather
5	August 24, 2021	FERC approved TOP –003-5 Docket No. RD21-5-000, Order 176	
6	TBD	Adopted by NERC Board of Trustees	Revisions under project 2021-06
6.1	Errata	Approved by the Standards Committee	August 23,2023
6.1	November 2, 2023	FERC Approved TOP-003-6.1 Docket No.RD23-6-000,	

6.1	November 3, 2023	Effective Date	July 1, 2025
<u>7</u>	<u>TBD</u>	<u>Energy Assurance Modifications – Addition of Near-Term ERA.</u>	<u>Revised</u>

Implementation Plan

Project 2022-03 Energy Assurance with Energy-Constrained Resources | Reliability Standard BAL-007-1 and TOP-003-7

Applicable Standard(s)

- BAL-007-1 – Near-term Energy Reliability Assessments
- TOP-003-7 – Transmission Operator and Balancing Authority Data and Information Specification and Collection

Requested Retirement(s)

- TOP-003-6.1 – Transmission Operator and Balancing Authority Data and Information Specification and Collection

Prerequisite Standard(s)

These standard(s) or definitions must be approved before the Applicable Standard becomes effective:

- None

Applicable Entities

- Balancing Authority
- Transmission Operator
- Generator Owner
- Generator Operator
- Transmission Owner
- Distribution Provider

Terms in the NERC Glossary of Terms

This section includes all newly defined, revised, or retired terms used or eliminated in the NERC Reliability Standard. New or revised definitions listed below become approved when the proposed standard is approved. When the standard becomes effective, these defined terms will be removed from the individual standard and added to the Glossary.

Proposed New Definition(s):

Energy Reliability Assessment:

Assessment of the resources necessary to reliably supply the Electrical Energy required to serve Demand

and to provide Operating Reserves for the Bulk Power System throughout the associated Assessment period.

Near-Term Energy Reliability Assessment:

An Energy Reliability Assessment with an assessment period that begins no later than two days after the operating day and has a minimum duration of five days and a maximum duration of six weeks.

Background

Energy assurance is an increasingly important aspect of a reliable Bulk-Power System (BPS) but has been inconsistently defined and measured without explicit standards. Project 2022-03 Energy Assurance with Energy-Constrained Resources was initiated to address several energy assurance concerns related to the operations, operations planning, and mid- to long-term planning time horizons. Reliability Standard BAL-007-1 – Energy Reliability Assessments is focused on the operations planning time horizon.

BAL-007-1 Reliability Standard

Where approval by an applicable governmental authority is required, Reliability Standard BAL-007-1 shall become effective on the first day of the first calendar quarter that is 24 months after the effective date of the applicable governmental authority's order approving the standard, or as otherwise provided for by the applicable governmental authority.

Where approval by an applicable governmental authority is not required, the standard shall become effective on the first day of the first calendar quarter that is 24 months after the date the standard is adopted by the NERC Board of Trustees, or as otherwise provided for in that jurisdiction.

Definitions

Where approval by an applicable governmental authority is required, the definitions of Energy Reliability Assessment and Near-term Energy Reliability Assessment shall become effective on the first day of the first calendar quarter that is 24 months after the effective date of the applicable governmental authority's order approving Reliability Standard BAL-007-1, or as otherwise provided for by the applicable governmental authority.

Where approval by an applicable governmental authority is not required, the standard shall become effective on the first day of the first calendar quarter that is 24 months after the date that Reliability Standard BAL-007-1 is adopted by the NERC Board of Trustees, or as otherwise provided for in that jurisdiction.

TOP-003-7 Reliability Standard

Where approval by an applicable governmental authority is required, Reliability Standard TOP-003-7 shall become effective on the first day of the first calendar quarter that is 18 months after the effective date of the applicable governmental authority's order approving the standard, or as otherwise provided for by the applicable governmental authority.

Where approval by an applicable governmental authority is not required, the standard shall become effective on the first day of the first calendar quarter that is 18 months after the date the standard is adopted by the NERC Board of Trustees, or as otherwise provided for in that jurisdiction.

Implementation Plan

Project 2022-03 Energy Assurance with Energy-Constrained Resources | Reliability Standard BAL-007-1 and TOP-003-7

Applicable Standard(s)

- BAL-007-1 – Near-term Energy Reliability Assessments
- TOP-003-7 – Transmission Operator and Balancing Authority Data and Information Specification and Collection

Requested Retirement(s)

- ~~None~~
- TOP-003-6.1 – Transmission Operator and Balancing Authority Data and Information Specification and Collection

Prerequisite Standard(s)

These standard(s) or definitions must be approved before the Applicable Standard becomes effective:

- None

Applicable Entities

- Balancing Authority
- ~~Reliability Coordinator~~
- Transmission Operator
- Generator Owner
- Generator Operator
- Transmission Owner
- Distribution Provider

Terms in the NERC Glossary of Terms

This section includes all newly defined, revised, or retired terms used or eliminated in the NERC Reliability Standard. New or revised definitions listed below become approved when the proposed standard is approved. When the standard becomes effective, these defined terms will be removed from the individual standard and added to the Glossary.

Proposed New Definition(s):

Energy Reliability Assessment:

~~Evaluation~~Assessment of the resources necessary to reliably supply the Electrical Energy required to serve Demand and to provide Operating Reserves for the Bulk Power System throughout the associated ~~evaluation~~Assessment period.

Near-Term Energy Reliability Assessment:

An Energy Reliability Assessment with an assessment period that begins no later than two days after the operating day and has a minimum duration of five days and a maximum duration of six weeks.

Background

Energy assurance is an increasingly important aspect of a reliable Bulk-Power System (BPS) but has been inconsistently defined and measured without explicit standards. Project 2022-03 Energy Assurance with Energy-Constrained Resources was initiated to address several energy assurance concerns related to the operations, operations planning, and mid- to long-term planning time horizons. Reliability Standard BAL-007-1 – Energy Reliability Assessments is focused on the operations planning time horizon.

~~Effective Date and Phased-In Compliance Dates~~

~~The effective dates for proposed Reliability Standard BAL-007-1 and NERC Glossary term Energy Reliability Assessment are provided below. Where the standard drafting team identified the need for a longer implementation period for compliance with a particular section of a proposed Reliability Standard (i.e., an entire Requirement or a portion thereof), the additional time for compliance with that section is specified below. The phased-in compliance date for those particular sections represents the date that entities must begin to comply with that particular section of the Reliability Standard, even where the Reliability Standard goes into effect at an earlier date.~~

BAL-007-1 Reliability Standard

Where approval by an applicable governmental authority is required, Reliability Standard BAL-007-1 shall become effective on the first day of the first calendar quarter that is 1824 months after the effective date of the applicable governmental authority’s order approving the standard, or as otherwise provided for by the applicable governmental authority.

Where approval by an applicable governmental authority is not required, the standard shall become effective on the first day of the first calendar quarter that is 1824 months after the date the standard is adopted by the NERC Board of Trustees, or as otherwise provided for in that jurisdiction.

~~Phased-In Compliance Dates~~

~~Compliance Date for BAL-007-1 Requirements R1, R2, and R3~~

~~Entities shall not be required to comply with Requirements R1—R3 until 18 months after the effective date of Reliability Standard BAL-007-1.~~

~~Compliance Date for BAL-007-1 Requirements R4 and R5~~

~~Initial Balancing Authority review of its near-term Energy Reliability Assessments process, Scenarios or methods, and Operating Plan(s) is due by the effective date, subsequent reviews due no later than 24 months following the effective date.~~

~~Initial Balancing Authority submission to Reliability Coordinator is due by the effective date, subsequent reviews due no later than 24 months following the effective date on a mutually agreed upon schedule.~~

~~Periodic reviews and submissions are due no later than 24 months following the effective date.~~

~~Compliance Date for BAL-007-1 Requirements R6, R7, R8, R9, and R10~~

~~Entities shall not be required to comply with Requirements R6 – R10 until 24 months after the effective date of Reliability Standard BAL-007-1.~~

~~Definition~~Definitions

Where approval by an applicable governmental authority is required, the ~~definition of~~definitions of Energy Reliability Assessment and Near-term Energy Reliability Assessment shall become effective on the first day of the first calendar quarter that is ~~18~~24 months after the effective date of the applicable governmental authority’s order approving Reliability Standard BAL-007-1, or as otherwise provided for by the applicable governmental authority.

Where approval by an applicable governmental authority is not required, the standard shall become effective on the first day of the first calendar quarter that is ~~18~~24 months after the date that Reliability Standard BAL-007-1 is adopted by the NERC Board of Trustees, or as otherwise provided for in that jurisdiction.

TOP-003-7 Reliability Standard

Where approval by an applicable governmental authority is required, Reliability Standard TOP-003-7 shall become effective on the first day of the first calendar quarter that is 18 months after the effective date of the applicable governmental authority’s order approving the standard, or as otherwise provided for by the applicable governmental authority.

Where approval by an applicable governmental authority is not required, the standard shall become effective on the first day of the first calendar quarter that is 18 months after the date the standard is adopted by the NERC Board of Trustees, or as otherwise provided for in that jurisdiction.

RSTC Response to Delayed CIP-013 Standard Authorization Request

Action

Discussion

Background

On September 20, 2023, the Standards Committee (SC) reviewed a Standard Authorization Request (SAR) to address the implementation of CIP-013, which has been wide-ranging and variable, potentially leading to incomplete or inaccurate supply chain risk evaluations. As considered by the SC in September 2023, the SAR would revise CIP-013 to have complete and accurate assessments of supply chain security risks that reflect actual threat(s) posed to the entity. Additionally, the SAR would provide triggers on when the supply chain risk assessment(s) must be performed (i.e., planning for procurement, procurement, and installation) and require a response to risks identified.

At the September 20, 2023 SC meeting, the SC voted to delay action on the SAR pending consultation with the Reliability and Security Technical Committee (RSTC) to determine if there is another approach to addressing the issues laid out in the SAR. The RSTC tasked the Supply Chain Working Group (SCWG) to examine the SAR and determine if there is another approach to addressing the issues laid out in the SAR. In a [letter](#) dated May 7, 2024, the SCWG laid out three alternative options for addressing the reliability gaps in the SAR, which it noted were not mutually exclusive:

1. Create or update CMEP processes and practice guides to map to guidelines developed by NATF, EEI, EPRI, APPA, and RSTC SCWG.
2. Industry and the ERO can adopt practices consistent with the DHS/OMB/NIST Secure Software Development Framework to provide more consistency and clarity to suppliers through a digital supplier attestation process/format.
3. Enforcement practices should encourage entities to adopt a comprehensive SCRM/3rd Party risk plan.

The SCWG further recommended that if the SC elects to approve the SAR, the DT should refer to the guidelines developed by NATF, EEI, EPRI, APPA and RSTC SCWG as recommended language for standards enhancements.

Additional information to support their options is included in a Supply Chain Security Gap Assessment presentation.¹

Summary

The SC should discuss the options presented by the RSTC.

¹ [RSTC SCWG Gap Assessment Update_042024.pdf \(nerc.com\)](#)

Standard Authorization Request (SAR)

Complete and submit this form, with attachment(s) to the [NERC Help Desk](#). Upon entering the Captcha, please type in your contact information, and attach the SAR to your ticket. Once submitted, you will receive a confirmation number which you can use to track your request.

The North American Electric Reliability Corporation (NERC) welcomes suggestions to improve the reliability of the bulk power system through improved Reliability Standards.

Requested information			
SAR Title:	CIP-013-2 Supply Chain Risk Management SAR		
Date Submitted:	September 18, 2023		
SAR Requester			
Name:	Michaelson Buchanan		
Organization:	NERC		
Telephone:	470.725.5268	Email:	michaelson.buchanan@nerc.net
SAR Type (Check as many as apply)			
<input type="checkbox"/>	New Standard	<input type="checkbox"/>	Imminent Action/ Confidential Issue (SPM Section 10)
<input checked="" type="checkbox"/>	Revision to Existing Standard	<input type="checkbox"/>	Variance development or revision
<input type="checkbox"/>	Add, Modify, or Retire a Glossary Term	<input type="checkbox"/>	Other (Please specify)
<input type="checkbox"/>	Withdraw/retire an Existing Standard		
Justification for this proposed standard development project (Check all that apply to help NERC prioritize development)			
<input checked="" type="checkbox"/>	Regulatory Initiation	<input type="checkbox"/>	NERC Standing Committee Identified
<input type="checkbox"/>	Emerging Risk (Reliability Issues Steering Committee) Identified	<input type="checkbox"/>	Enhanced Periodic Review Initiated
<input type="checkbox"/>	Reliability Standard Development Plan	<input type="checkbox"/>	Industry Stakeholder Identified
Industry Need (What Bulk Electric System (BES) reliability benefit does the proposed project provide?):			
<p>The language in CIP-013-2 Requirement R1 lacks specificity to properly identify, assess, and respond to supply chain security risks. Specifically, Requirement R1 Part 1.1 does not indicate how to perform risk identification and assess vendor risks effectively. Additionally, CIP-013-2 does not contain sufficient triggers requiring activating an entity's supply chain risk management plan.</p> <p>Industry implementation is wide ranging and variable across the ERO Enterprise. The implemented Industry supply chain risk processes are ambiguous and generally lack rigor for validating the completeness and accuracy of the data, assessing the risks, considering the vendor's mitigation activities, and documenting and tracking residual risks. This also leads to inconsistent information collected from vendors.</p> <p>The lack of specificity for correctly identifying and assessing supply chain security risks may lead to incomplete or inaccurate risk evaluations. This may lead to supply chain risk likelihood and/or impact ratings that are not truly reflective of the actual risk posed to the entity.</p>			

Requested information

There is a lack of activation triggers to perform an entity’s supply chain risk management program. The ambiguous language of Requirement R2’s “Note” and the potential for a sizeable time delay between the actual procurement of equipment and the installation of the procured equipment. This delay could render the risk assessment outdated and potentially inaccurate during installation. An updated or revised risk assessment would ensure that all current and relevant risks are identified, assessed, and addressed. A requirement to update or re-perform a risk assessment for equipment or software before installation is necessary, as well as a time limit between the assessment and installation.

There is a lack of tracking or responding to the risks identified through an entity’s supply chain risk assessment. Requirement R1 Part 1.1 requires entities to “identify and assess,” but the Standard does not require an entity to take any actions (i.e., respond) to any identified risks through the risk assessment. This includes accepting risks if they fall within a certain threshold. If accepted risks increase over time to a level above the entity’s threshold, the entity may not be aware of the change due to the lack of tracking said risks. The majority, if not all, risk management frameworks hold fast to three pillars: 1. Identify, 2. Assess, and 3. Respond. Industry has many options to respond to risks, including mitigation, acceptance, transfer, and/or avoidance. Regardless of the option chosen, a response includes documenting and tracking the risk(s).

Purpose or Goal (How does this proposed project provide the reliability-related benefit described above?):

This project would revise CIP-013-2 to have complete and accurate assessments of supply chain security risks that reflect actual threat(s) posed to the entity. Additionally, it would provide triggers on when the supply chain risk assessment(s) must be performed (i.e., planning for procurement, procurement, and installation) and require a response to risks identified.

Project Scope (Define the parameters of the proposed project):

This project will make revisions to CIP-013-2 to require complete and accurate assessments of supply chain risks. Provide triggers of when activation of the supply chain risk assessment(s) must be performed and tracking and responding to all risks identified.

Detailed Description (Describe the proposed deliverable(s) with sufficient detail for a drafting team to execute the project. If you propose a new or substantially revised Reliability Standard or definition, provide (1) a technical justification¹ that includes a discussion of the reliability-related benefits of developing a new or revised Reliability Standard or definition and (2) a technical foundation document (e.g., research paper) to guide development of the Standard or definition):

Revise CIP-013-2 to:

- Require entities to create specific triggers to activate the supply chain risk assessment(s).

¹ The NERC Rules of Procedure require a technical justification for new or substantially revised Reliability Standards. Please attach pertinent information to this form before submittal to NERC.

Requested information
<ul style="list-style-type: none"> • Include the performance of supply chain risk assessment(s) during the planning for procurement, procurement, installation of procured equipment/software/services, and post procurement assessment. • Include steps to validate the completeness and accuracy of the data, assess the risks, consider the vendor’s mitigation activities, and document and track any residual risks. • Track and respond to all risks identified. • Reassessment of standing contract risks on a set timeframe. • Reassessment of time delay installation beyond a set timeframe.
<p>Cost Impact Assessment, if known (Provide a paragraph describing the potential cost impacts associated with the proposed project):</p>
<p>The Cost impact of implementing the proposed Standard depends on the method(s) by which a Responsible Entity chooses to meet any additional Requirements. However, a question will be asked during the comment period to ensure cost aspects are considered.</p>
<p>Please describe any unique characteristics of the BES facilities that may be impacted by this proposed standard development project (e.g., Dispersed Generation Resources):</p>
<p>No unique characteristics of BES facilities that may be impacted are known at this time.</p>
<p>To assist the NERC Standards Committee in appointing a drafting team with the appropriate members, please indicate to which Functional Entities the proposed standard(s) should apply (e.g., Transmission Operator, Reliability Coordinator, etc. See the most recent version of the NERC Functional Model for definitions):</p>
<p>Balancing Authority, Distribution Provider, Generator Operator, Generator Owner, Reliability Coordinator, Transmission Operator, Transmission Owner</p>
<p>Do you know of any consensus building activities² in connection with this SAR? If so, please provide recommendations or findings from the consensus building activity.</p>
<p>SAR was developed in cooperation with and reviewed by voting members of the ERO CIP Compliance Task Force.</p>
<p>Are there any related standards or SARs that should be assessed for impact due to this proposed project? If so, which standard(s) or project number(s)?</p>
<p>None at this time.</p>
<p>Are there alternatives (e.g., guidelines, white paper, alerts, etc.) that have been considered or could meet the objectives? If so, please list the other options.</p>

² Consensus building activities are occasionally conducted by NERC and/or project review teams. They typically are conducted to obtain industry inputs prior to proposing any standard development project to revise, or develop a standard or definition.

Requested information

None at this time.

Reliability Principles

Does this proposed standard development project support at least one of the following Reliability Principles ([Reliability Interface Principles](#))? Please check all those that apply.

<input type="checkbox"/>	1. Interconnected bulk power systems shall be planned and operated in a coordinated manner to perform reliably under normal and abnormal conditions as defined in the NERC Standards.
<input type="checkbox"/>	2. The frequency and voltage of interconnected bulk power systems shall be controlled within defined limits through the balancing of real and reactive power supply and demand.
<input type="checkbox"/>	3. Information necessary for the planning and operating of interconnected bulk power systems shall be made available to those entities responsible for planning and operating the systems reliably.
<input type="checkbox"/>	4. Plans for an emergency operation and system restoration of interconnected bulk power systems shall be developed, coordinated, maintained, and implemented.
<input checked="" type="checkbox"/>	5. Facilities for communication, monitoring, and control shall be provided, used, and maintained for the reliability of interconnected bulk power systems.
<input type="checkbox"/>	6. Personnel responsible for planning and operating interconnected bulk power systems shall be trained qualified and have the responsibility and authority to implement actions.
<input checked="" type="checkbox"/>	7. The security of the interconnected bulk power systems shall be assessed, monitored, and maintained on a wide area basis.
<input checked="" type="checkbox"/>	8. Bulk power systems shall be protected from malicious physical or cyber-attacks.

Market Interface Principles

Does the proposed standard development project comply with all of the following [Market Interface Principles](#)?

Enter
(yes/no)

1. A reliability standard shall not give any market participant an unfair competitive advantage.	Yes
2. A reliability standard shall neither mandate nor prohibit any specific market structure.	Yes
3. A reliability standard shall not preclude market solutions from achieving compliance with that standard.	Yes
4. A reliability standard shall not require the public disclosure of commercially sensitive information. All market participants shall have equal opportunity to access commercially non-sensitive information that is required for compliance with reliability standards.	Yes

Identified Existing or Potential Regional or Interconnection Variances

Region(s)/ Interconnection	Explanation
<i>e.g.</i> , NPCC	None

For Use by NERC Only

SAR Status Tracking (Check off as appropriate).

<input type="checkbox"/> Draft SAR reviewed by NERC Staff	<input type="checkbox"/> Final SAR endorsed by the SC
<input type="checkbox"/> Draft SAR presented to SC for acceptance	<input type="checkbox"/> SAR assigned a Standards Project by NERC
<input type="checkbox"/> DRAFT SAR approved for posting by the SC	<input type="checkbox"/> SAR denied or proposed as Guidance document

Version History

Version	Date	Owner	Change Tracking
1	June 3, 2013		Revised
1	August 29, 2014	Standards Information Staff	Updated template
2	January 18, 2017	Standards Information Staff	Revised
2	June 28, 2017	Standards Information Staff	Updated template
3	February 22, 2019	Standards Information Staff	Added instructions to submit via Help Desk
4	February 25, 2020	Standards Information Staff	Updated template footer

To: Todd Bennett, Chair NERC Standards Committee

From: Rich Hydzik, Chair NERC Reliability and Security Technical Committee
RH

Re: CIP-013-2 SAR

Date: May 7, 2024

In response to your request on January 30, 2024, the Reliability and Security Technical Committee (RSTC) tasked the Supply Chain Working Group (SCWG) to examine the standards authorization request (SAR) dated September 18, 2023, and as you indicated "...determine if there is another approach to addressing the issues laid out in the SAR."

The SCWG prioritized their deliberations and presented their findings to the RSTC executive committee on April 9, 2024. A copy of their presentation is attached.

In summary, the SCWG has identified three alternative options for addressing the reliability gaps in the CIP-013-2 SAR. Please note that these are not mutually exclusive:

1. Create or update CMEP processes and practice guides to map to guidelines developed by NATF, EEI, EPRI, APPA, and RSTC SCWG.
2. Industry and the ERO can adopt practices consistent with the DHS/OMB/NIST Secure Software Development Framework to provide more consistency and clarity to suppliers through a digital supplier attestation process/format.
3. Enforcement practices should encourage entities to adopt a comprehensive SCRM/3rd Party risk plan (note: this is listed as Option 4 in the presentation).

Lastly, should the Standards Committee elect to approve the SAR, the SCWG has offered the following recommendation (Option 3 in the presentation):

1. The standards drafting team should refer to guidelines developed by NATF, EEI, EPRI, APPA and RSTC SCWG as recommended language for standards enhancements.

cc: Latrice Harkness
Dominique Love
Alison Oswald
Michaelson Buchanan

Technical Conference Update

Action

Informational

Summary

The update will provide the results of the Technical Conference and Generator Ride-through project next steps.

Standing Committee Self-Assessments

Action

Informational

Background

On August 14, 2024, the Corporate Governance and Human Resources Committee of the NERC Board of Trustees (Board) approved and directed NERC staff to work with standing committee leadership to launch a self-assessment process and report back to the Board on this effort in February 2025. The objective of the self-assessment process is to identify opportunities for enhanced governance and continuous improvement of NERC standing committees, including the Standards Committee (SC), in furtherance of the following guiding principles:

- Fair Stakeholder Representation: Membership is representative of NERC members, interested parties, and the public to provide for balanced decision-making (FERC Order No. 672, FERC rule 39.3, NERC Bylaws, and NERC Rules of Procedure (ROP 1302). No two stakeholder Sectors are able to control the vote on any matter, and no single Sector is able to defeat a matter (ROP 1302).
- Open Nomination Process: Members shall be nominated and selected in a manner that is open, inclusive, and fair (ROP 1303).
- Independence: NERC shall ensure its independence from users, owners, and operators of the Bulk Power System in establishing the Standing Committees (FERC rule 39.3.b.2.ii).
- Accountability: Each Standing Committee shall be accountable to the NERC Board for performance of its Board-assigned responsibilities (ROP 1301).

The requested self-assessment provides an opportunity for SC members to have a voice in the direction of the Standards Committee. Furthermore, issuing the self-assessments is a routine good governance practice and should not be construed to mean that NERC or the Board determined that the SC is not meeting the guiding principles.

Summary

NERC staff, in collaboration with SC leadership, is providing information on next steps regarding format and logistics of the self-assessment.

Fast-Track Proposed Criteria

Criteria:

Meant to address an identified emergent reliability risk.

Process:

- NERC staff make a recommendation if a project should be fast track, SC has to approve that to go forward
 - Could be tagged on an existing project
 - Potentially a SAR could be brought forward that would qualify from the start of the project
- Technical basis, details on risk should be provided to support fast track proposal
- Time range is 9-11 months
- 2-3 ballots to be scheduled based on timeline and project history

Possible controls or guardrails-

- Fast-track projects limited to no more than (2) at one time in the standards development process.
- NERC consider scheduling a public technical conference prior to or within the first 30-45 days of notification, to explain the issue surrounding the risk in greater detail.
- In situations where there is a conflict with the number of projects in the fast-track process, NERC staff provide feedback (not send project to the SC) to FERC/BOT as it relates to the limitations of the process/criteria defined.
- When a fast-track, project is proposed NERC staff will work (Co-draft) with RSTC or its subcommittees and request input from trade associations to ensure the SAR is technically complete and feasible.
- Potential discussion to modify the ROP to allow fast track projects to get waivers of the SPM

Fast Track Update

Action

Informational

Summary

The Fast-Track initiative is to streamline the Standards Development process for high-priority projects. The Fast-Track criteria includes a process along with possible controls or guardrails.

**NERC Legal and Regulatory Update
August 1, 2024 – August 28, 2024**

NERC FILINGS TO FERC SUBMITTED SINCE LAST SC UPDATE

FERC Docket No.	Filing Description	FERC Submittal Date
RD22-4-001	<p>Inverter Based Resources Work Plan Progress Update</p> <p>NERC submitted a progress update on its Inverter Based Resources Work Plan as directed by FERC in its November 17, 2022 Order.</p>	8/9/2024
FA11-21-000	<p>Compliance Filing in Response to January 2013 Order</p> <p>NERC submits an unaudited report of NERC’s budget-to-actual variance information for the second quarter of 2024. This compliance filing is in accordance with FERC’s January 16, 2013 Order, which approved a Settlement Agreement between the FERC Office of Enforcement and NERC, related to findings and recommendations arising out of its 2012 performance audit.</p>	8/14/2024
RR24-5-000	<p>NERC 2025 Business Plan and Budget Filing</p> <p>NERC submits this filing requesting acceptance of the 2025 Business Plans and Budgets of NERC, the six Regional Entities, and the Western Interconnection Regional Advisory Body, and approval of the proposed assessments to fund the 2024 budgets.</p>	8/23/2024
RR24-2-000	<p>Compliance Filing Re: Order on NERC ROP Revisions</p> <p>NERC submitted a Compliance Filing in Response to FERC’s Order Approving Revisions to NERC’s Rules of Procedure and Requiring a Compliance Filing.</p>	8/26/2024

FERC ISSUANCES SINCE LAST SC UPDATE

FERC Docket No.	Issuance Description	FERC Issuance Date
	None	

ANTICIPATED UPCOMING FILINGS

FERC Docket No.	Filing Description	Anticipated Filing Date
RR10-1-000; RR13-3-000	Annual Report of NERC on Wide-Area Analysis of Technical Feasibility Exceptions (TFEs)	9/27/2024
TBD	Petition for approval of revisions to NERC’s ROP (CCC procedures)	9/24/2024
RR24-7-000	Petition for approval of revisions to the NERC Bylaws	9/17/2024
RR24-6-000	Joint petition for approval of revisions to the SERC Bylaws	8/29/2024

Standards Committee Expectations

Approved by Standards Committee January 12, 2012

Background

Standards Committee (SC) members are elected by members of their segment of the Registered Ballot Body, to help the SC fulfill its purpose. According to the [Standards Committee Charter](#), the SC's purpose is:

In compliance with the NERC Reliability Standards Development Procedure, the Standards Committee manages the NERC standards development process for the North American-wide reliability standards with the support of the NERC staff to achieve broad bulk power system reliability goals for the industry. The Standards Committee protects the integrity and credibility of the standards development process.

The purpose of this document is to outline the key considerations that each member of the SC must make in fulfilling his or her duties. Each member is accountable to the members of the Segment that elected them, other members of the SC, and the NERC Board of Trustees for carrying out their responsibilities in accordance with this document.

Expectations of Standards Committee Members

1. SC members represent their segment, not their organization or personal views. Each member is expected to identify and use mechanisms for being in contact with members of the segment in order to maintain a current perspective of the views, concerns, and input from that segment. NERC can provide mechanisms to support communications if an SC member requests such assistance.
2. SC members base their decisions on what is best for reliability and must consider not only what is best for their segment, but also what is in the best interest of the broader industry and reliability.
3. SC members should make every effort to attend scheduled meetings, and when not available are required to identify and brief a proxy from the same segment. SC business cannot be conducted in the absence of a quorum, and it is essential that each SC member make a commitment to being present.
4. SC members should not leverage or attempt to leverage their position on the SC to influence the outcome of standards projects.
5. The role of the SC is to manage the standards process and the quality of the output, not the technical content of standards.

Parliamentary Procedures

Based on Robert’s Rules of Order, Newly Revised, 11th Edition, plus “Organization and Procedures Manual for the NERC Standing Committees”

Motions

Unless noted otherwise, all procedures require a “second” to enable discussion.

When you want to...	Procedure	Debatable	Comments
Raise an issue for discussion	Move	Yes	The main action that begins a debate.
Revise a Motion currently under discussion	Amend	Yes	Takes precedence over discussion of main motion. Motions to amend an amendment are allowed, but not any further. The amendment must be germane to the main motion, and cannot reverse the intent of the main motion.
Reconsider a Motion already approved	Reconsider	Yes	Allowed only by member who voted on the prevailing side of the original motion.
End debate	Call for the Question <i>or</i> End Debate	No	If the Chair senses that the committee is ready to vote, he may say “if there are no objections, we will now vote on the Motion.” The vote is subject to a 2/3 majority approval. Also, any member may call the question. This motion is not debatable. The vote is subject to a 2/3 vote.
Record each member’s vote on a Motion	Request a Roll Call Vote	No	Takes precedence over main motion. No debate allowed, but the members must approve by 2/3 majority.
Postpone discussion until later in the meeting	Lay on the Table	Yes	Takes precedence over main motion. Used only to postpone discussion until later in the meeting.
Postpone discussion until a future date	Postpone until	Yes	Takes precedence over main motion. Debatable only regarding the date (and time) at which to bring the Motion back for further discussion.
Remove the motion for any further consideration	Postpone indefinitely	Yes	Takes precedence over main motion. Debate can extend to the discussion of the main motion. If approved, it effectively “kills” the motion. Useful for disposing of a badly chosen motion that can not be adopted or rejected without undesirable consequences.
Request a review of procedure	Point of order	No	Second not required. The Chair or secretary shall review the parliamentary procedure used during the discussion of the Motion.

Notes on Motions

Seconds. A Motion must have a second to ensure that at least two members wish to discuss the issue. The “seconded” is not recorded in the minutes. Neither are motions that do not receive a second.

Announcement by the Chair. The Chair should announce the Motion before debate begins. This ensures that the wording is understood by the membership. Once the Motion is announced and seconded, the Committee “owns” the motion, and must deal with it according to parliamentary procedure.

Voting

Voting Method	When Used	How Recorded in Minutes
Unanimous Consent The standard practice.	When the Chair senses that the Committee is substantially in agreement, and the Motion needed little or no debate. No actual vote is taken.	The minutes show "by unanimous consent."
Vote by Voice	The standard practice.	The minutes show Approved or Not Approved (or Failed).
Vote by Show of Hands (tally)	To record the number of votes on each side when an issue has engendered substantial debate or appears to be divisive. Also used when a Voice Vote is inconclusive. (The Chair should ask for a Vote by Show of Hands when requested by a member).	The minutes show both vote totals, and then Approved or Not Approved (or Failed).
Vote by Roll Call	To record each member's vote. Each member is called upon by the Secretary, and the member indicates either "Yes," "No," or "Present" if abstaining.	The minutes will include the list of members, how each voted or abstained, and the vote totals. Those members for which a "Yes," "No," or "Present" is not shown are considered absent for the vote.