

NERC

NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

NERC Standards Grading

Background, Analysis, and Next Steps

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RELIABILITY | ACCOUNTABILITY



- At the request of the NERC Board of Trustees (Board) and Member Representatives Committee, the Standards Committee (SC) endorsed standards grading as a metric on March 9, 2016
 - This process provides Enhanced Periodic Review (EPR) teams with initial input for their reviews
- Grading conducted by the Standing Review Team (SRT), as set forth in the EPR Process, which is composed of:
 - Operating Committee (OC) chair or delegate
 - Planning Committee (PC) chair or delegate
 - A representative from the Regions
 - NERC staff
 - SC chair or delegate (facilitator role)

- Grading uses same decision-tree and grading tools of the 2013 Independent Experts Review Panel (IERP), with the addition of one quality question on cost-effectiveness
- Standards Grading Eligibility
 - The standard has been in effect for at least one year; or
 - If at least one year has passed since the “early adoption” effective date; or
 - If the standard version is a revision to one that has been in effect for at least one year

- SRT Meeting and Posting Process
 - Public Meeting #1 (June 22, 2016)
 - Reviewed each SRT member's initial grades for each requirement
 - Focused on difference of 1+ for content questions; 3+ for quality questions
 - Reached a consensus grade on most requirements
 - Information used in posting

- SRT Meeting and Posting Process (cont'd)
 - [Posting for 30-day stakeholder comment period](#)
 - Currently open through August 1, 2016
 - Focuses on those requirements whose consensus grades were not reached in the first public meeting

- Standards Grading Questions from Comment Form
 1. The EPRSRT has not yet finalized consensus content scores on **EOP-011-1, Requirements R3, R4, R5, and R6**. Please provide comments on what you believe the EPRSRT should consider in developing its final content scores on these requirements. In particular, the EPRSRT is interested in confirming from industry's perspective **whether the standard's content is well-understood by those implementing it**.
 2. The initial **PRC-023-4** Content and Quality scoring from each EPRSRT member did not align due to a question on whether additional language is needed to clarify that the standard only applies to BES elements. Therefore, the EPRSRT seeks comments on whether there **is a reliability concern not adequately captured by the existing language in PRC-023-4 that would warrant a low content score**.

- Standards Grading Questions from Comment Form
 3. The EPRSRT seeks comments on **FAC-008-3, Requirements R7 and R8**. Specifically, **is the language of the requirements confusing or ambiguous as to cause a reliability concern not adequately captured by the existing language** in FAC-008-3 that would warrant a lower quality and content score? Please explain your response.
 4. At least two EPRs will begin in 2017 from the following standards and standards families eligible for EPRs: BAL-001, INT-004, INT-006, INT-009, INT-010, EOP-010, FAC-003, FAC-008, NUC-001, and the PRC family of standards. Based on the ongoing efforts of the EPRSRT, which standards and standards families should have the **highest priority for EPR in 2017?**
 5. Please provide any **additional comments** you believe would improve the standards grading process, the EPRSRT's approach to standards grading, and any other input you believe would be helpful in instructing the EPRSRT's final grading.

- SRT Meeting and Posting Process (cont'd)
 - Public Meeting #2 (August 30, 2016)
 - Review and consider stakeholder comments
 - Reach a consensus grade on remaining requirements
 - Finalize grades to be appended to the 2017-2019 Reliability Standards Development Plan (RSDP)

- Decision Tree Tool – Each “Yes” answer has score of 1
 - Content questions (total of 3)
 - Quality questions (total of 12)
 - Cost-effectiveness question not included in final total
- Data analyzed from each SRT member’s grading
 - Average scores
 - Maximum difference
 - [EPR Preliminary Grades](#)

- Next Steps
 - SRT to meet on August 30, 2016 to review industry comments and reach consensus grades on all requirements
 - Final grades to be posted and appended to RSDP, which is endorsed by the SC, approved by the Board, and filed with the Federal Energy Regulatory Commission
 - Final grades will be a starting point for EPR teams' work, along with additional information collected, as required under the EPR template

- 2017 and Beyond
 - If any EPR team determines, and stakeholders approve, revisions to a standard requirement that was graded in 2016, the SRT shall re-grade the standard requirement based on the revision
 - The re-graded requirement(s) will also be posted for stakeholder comment for at least 10 business days prior to SRT finalization of grading



Questions and Answers