

NERC

NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

NERC Standards Grading

Background and Process

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RELIABILITY | ACCOUNTABILITY



- Overview
 - NERC Standards Committee (SC) endorsed standards grading as a metric on March 9, 2016
 - Grading to be conducted by the Standing Review Team, as set forth in the Enhanced Periodic Review (EPR)
 - Operating Committee (OC) Chair (or OC Chair delegate)
 - Planning Committee (PC) Chair (or PC Chair delegate)
 - NERC staff
 - A representative from the Regions
 - Role of the SC Chair or his/her delegate
 - Facilitate the process
 - Facilitate the meetings
 - Assist to resolve differences of opinion

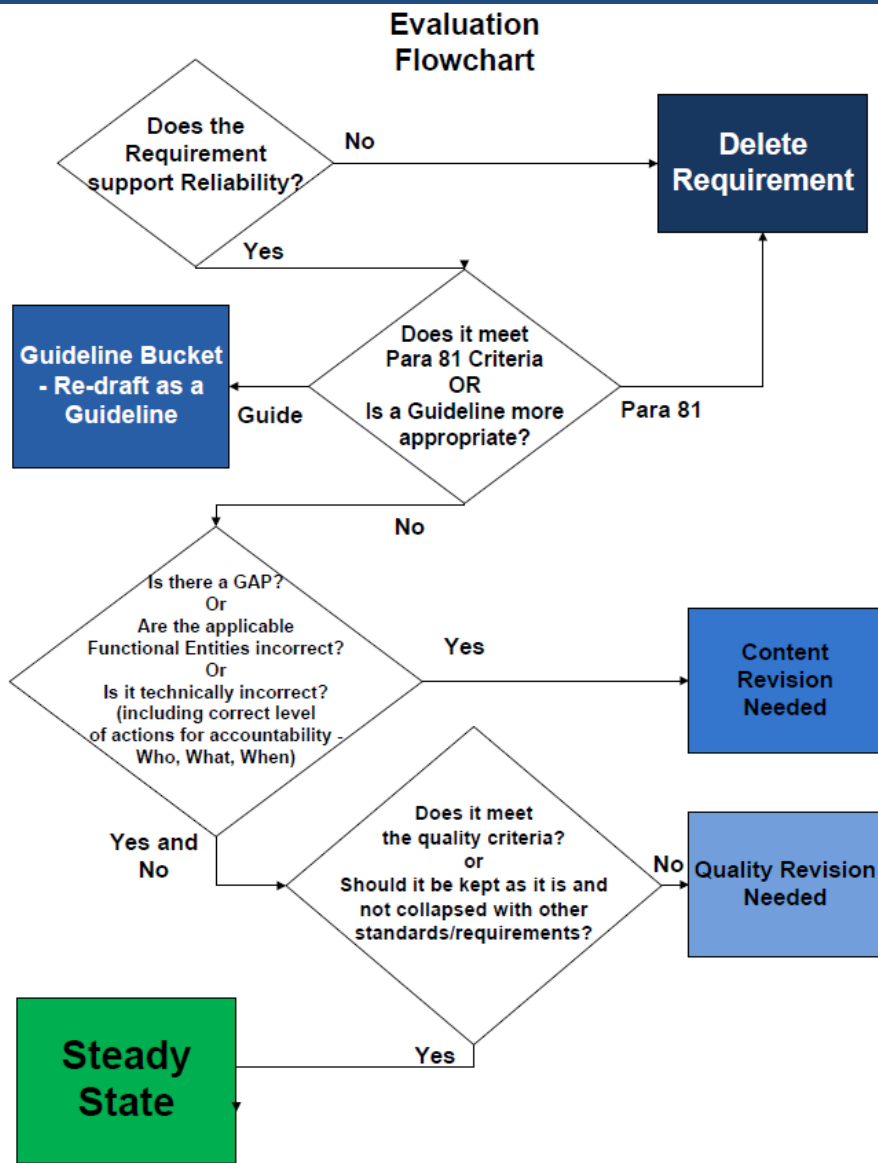
- Overview (continued)
 - Grading will use same decisions-tree and grading tools of the Independent Experts, with the addition of one quality question on cost-effectiveness

- Meetings/Postings:
 - Two-day, face-to-face, open meeting in Atlanta, June 22-23, 2016;
 - Initial grading, focus on differences of opinion
 - Posting for 30-day stakeholder comment period
 - Two-day, face-to-face, open meeting in Atlanta, August 2016
 - Finalize grading included in the 2017-2019 Reliability Standards Development Plan (RSDP)

Standards to be graded from the 2016-2018 RSDP

- BAL-001
- FAC-008-3
- PRC family
- INT
 - INT-004
 - INT-006
 - INT-009
 - INT-010
- EOP
 - EOP-010
 - EOP-011
- VAR:
 - VAR-001
 - VAR-002
- PER
 - PER-001
 - PER-003
 - PER-004

- Decision Tree Tool
 - Content Score 0-3
 - Quality Score 0-13



- Evaluation Criteria

- Content

- Score of 1 – Is the content of the requirement technically correct, including identifying who does what and when?
- Score of 2 – Are the correct functional entities identified?
- Score of 3 – Are the appropriate actions, for which there should be accountability, included or is there a gap?

- Quality

- Should the requirement stand alone as-is, or should it be consolidated with other standards?
- Is it drafted as a Results-based Standard (RBS) requirement (performance, risk (prevention) or capability) and does it follow the RBS format (e.g., sub-requirement structure)?

- Evaluation Criteria (Continued)
 - Quality
 - Is it technologically neutral?
 - Are the expectations for each function clear?
 - Does the requirement align with the Purpose?
 - Is it a higher solution than the lowest common denominator?
 - Is it measureable?
 - Does it have a technical basis in engineering and operations?
 - Is it complete and self-contained?

- Evaluation Criteria (Continued)
 - Quality (Continued)
 - Is the language clear and does not have ambiguous or outdated terms?
 - Can it be practically implemented?
 - Does it use consistent terminology?
 - Is the standard cost-effective in achieving the reliability purpose or objective of the standard and mitigating the risk to the BES?

- Stakeholder Comment
 - Initial grading to be sent to stakeholders for comment
 - Minimum 10 business days
 - Comment form to focus stakeholders on specific questions to assist Standing Review Team finalize the grading

- **Second Grading Session**

- Open to stakeholders – two-day, face-to-face meeting will be facilitated by the Chair of the SC, focusing on resolving significant deltas not resolved in the initial grading session
- Final grade to be appended to RSDP that is endorsed by the SC, approved by the NERC Board of Trustees and filed at the Federal Energy Regulatory Commission
- Final grade will be starting point for EPR teams' work, along with additional information collected, as required under the EPR template
- The chairs of the OC, PC, NERC staff, and the Regional representative must come prepared and empowered to work to resolve deltas

- 2017 and Beyond
 - Process to be repeated each year until standard has a steady state grade
 - If any EPR team determines, and stakeholders approve, revisions to a standard requirement that was graded in 2016, the Standing Review Team 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 Standing Review Team finalizing



Questions and Answers