



# **Texas Reliability Entity, Inc. Regional Standards Development Process**

## Table of Contents

<b>1.</b>	<b>Introduction .....</b>	<b>1</b>
<b>1.1.</b>	<b>Reliability and Market Principles .....</b>	<b>1</b>
<b>1.2.</b>	<b>Essential Attributes of the Texas RE Regional Standards Development Process .....</b>	<b>2</b>
<b>2.</b>	<b>Regional Standard Elements .....</b>	<b>3</b>
<b>2.1.</b>	<b>Regional Standard Description.....</b>	<b>3</b>
<b>2.2.</b>	<b>Types of Reliability Requirements .....</b>	<b>3</b>
<b>2.3.</b>	<b>Elements of a Regional Standard .....</b>	<b>4</b>
<b>2.4.</b>	<b>Supporting Information Elements .....</b>	<b>5</b>
<b>3.</b>	<b>Roles in the Texas RE Regional Standards Development Process .....</b>	<b>6</b>
<b>4.</b>	<b>Regional Standards Development Process .....</b>	<b>8</b>
<b>4.1.</b>	<b>SAR Submittal .....</b>	<b>8</b>
<b>4.2.</b>	<b>SAR Public Comment Period .....</b>	<b>8</b>
<b>4.3.</b>	<b>MRC Considers the SAR for a Standards Development Project .....</b>	<b>9</b>
<b>4.4.</b>	<b>Formation of the Standard Drafting Team (SDT).....</b>	<b>10</b>
<b>4.5.</b>	<b>Work Product of the Standard Drafting Team .....</b>	<b>10</b>
<b>4.6.</b>	<b>Informal Feedback .....</b>	<b>11</b>
<b>4.7.</b>	<b>MRC Considers the Work Product for Public Comment and Ballot Period.....</b>	<b>11</b>
<b>4.8.</b>	<b>Form Ballot Pool .....</b>	<b>12</b>
<b>4.9.</b>	<b>Public Comment Period.....</b>	<b>12</b>
<b>4.10.</b>	<b>Ballot Period .....</b>	<b>12</b>
<b>4.11.</b>	<b>Ballot Results .....</b>	<b>13</b>
<b>4.12.</b>	<b>Response to Comments .....</b>	<b>13</b>
<b>4.13.</b>	<b>Conduct Final Ballot .....</b>	<b>14</b>
<b>4.14.</b>	<b>MRC Approves the Final Work Product to be Sent to the Texas RE Board .....</b>	<b>14</b>
<b>4.15.</b>	<b>Action by the Texas RE Board .....</b>	<b>14</b>
<b>5.</b>	<b>Maintenance of the Texas RE RSDP .....</b>	<b>15</b>
<b>6.</b>	<b>Maintenance of Regional Standards .....</b>	<b>16</b>
<b>7.</b>	<b>Urgent Action .....</b>	<b>16</b>
<b>8.</b>	<b>Interpretations of Regional Standards.....</b>	<b>17</b>



**8.1. Process for Developing an interpretation..... 18**

**9. Appeals ..... 18**

**10. Field Tests ..... 19**

**Appendix A Balloting Examples**

**Appendix B Flowchart**

## 1. Introduction

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

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

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

### 1.1. Reliability and Market Principles

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

Each Regional Standard shall enable or support one or more of the NERC Reliability Principles, thereby ensuring that each Regional Standard serves a purpose in support of reliability of the North American BPS. Each Regional Standard shall also be consistent with all of the NERC Principles, thereby ensuring that no Regional Standard undermines reliability through an

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<sup>1</sup> Throughout this document, where the term Regional Standard is used, the same process will be applied to a Regional Variance.

<sup>2</sup> The latest sets of NERC Reliability Principles and NERC Market Principles are posted on NERC's website.

unintended consequence. Persons and committees that are responsible for the RSDP shall consider these NERC Principles in the execution of those duties.

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

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

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

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

The RSDP has the following attributes:

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

Standard, due consideration of those public comments, and a ballot of Texas RE Standards Development Sectors described in Section 3.

- **Transparent** – All actions material to the development of Regional Standards shall be transparent. All standards development meetings shall be open and publicly noticed on the Texas RE website.
- **Timely** – The RSDP does not unnecessarily delay development of the proposed Regional Standard.

## 2. Regional Standard Elements

### 2.1. Regional Standard Description

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

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

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

### 2.2. Types of Reliability Requirements

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

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

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<sup>3</sup> The Ten Benchmarks of an Excellent Reliability Standard are posted on NERC's website.

action, to achieve what particular result or outcome that reduces a stated risk to the reliability of the BPS.

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

### 2.3. Elements of a Regional Standard

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

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

#### Elements –

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

statement in the requirements section shall be a statement for which compliance is mandatory.

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

## 2.4. Supporting Information Elements

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

<sup>4</sup> The latest set of approved VRF Criteria is posted on NERC’s website.

<sup>5</sup> The latest set of approved VSL Criteria is posted on NERC’s website.



- Notes pertaining to implementation or compliance
- Regional Standard references
- Regional Standard supplements
- Procedures
- Practices
- Training references
- Technical references
- White papers
- Internet links to related information

### 3. Roles in the Texas RE Regional Standards Development Process

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

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

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

The MRC's composition is described in the Texas RE Bylaws.<sup>6</sup>

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

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<sup>6</sup> The current and approved bylaws are on Texas RE's website.

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

The Texas RE Board’s composition is described in the Texas RE Bylaws.<sup>7</sup>

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

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

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

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

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

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

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

- System Coordination and Planning: An entity that is registered with NERC as a Reliability Coordinator (RC), Balancing Authority (BA), Planning Authority (PA)
- Transmission and Distribution: An entity that is registered with NERC as a Transmission Owner (TO), Transmission Planner (TP), Transmission Service Provider (TSP),

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<sup>7</sup> The current and approved bylaws are on Texas RE’s website.

Distribution Provider (DP), and/or Transmission Operator (TOP) and is not a Cooperative or Municipal Utility.

- Cooperative Utility: An entity that is (a) a corporation organized under Chapter 161 of the Texas Utilities Code or a predecessor statute to Chapter 161 and operating under that chapter; or (b) a corporation organized as an electric cooperative in a state other than Texas that has obtained a certificate of authority to conduct affairs in the State of Texas; or (c) a cooperative association organized under Chapter 251 of the Texas Business Organizations Code and is registered with NERC for at least one reliability function.
- Municipal Utility: A municipally owned utility as defined in PURA §11.003 and is registered with NERC for at least one reliability function.
- Generation: An entity that is registered with NERC as a Generator Owner (GO) or Generator Operator (GOP).
- Load-Serving and Marketing: An entity that secures wholesale transmission service or is engaged in the activity of buying and selling of wholesale power in the ERCOT region on a physical or financial basis, or qualifies under any newly defined NERC reliability function for demand response.

#### 4. Regional Standards Development Process

**Note:** The term “days” below refers to calendar days. The RSM shall coordinate with NERC to ensure its adherence to NERC’s Regional Reliability Standards Evaluation Procedure.<sup>8</sup>

##### 4.1. SAR Submittal

The first step in the RSDP is the submission of a SAR. As stated in section 3 above, an Originator may submit a SAR. The SAR may request the development, modification, or retirement of a Regional Standard. Any such request shall be submitted to the RSM. The SAR form may be downloaded from the Texas RE website. An acceptable SAR contains the following:

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

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

##### 4.2. SAR Public Comment Period

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<sup>8</sup> This procedure is located on NERC’s website.

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

#### 4.3. MRC Considers the SAR for a Standards Development Project

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

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

- **Accept** the SAR as a candidate for development of a new Regional Standard, revision of an existing Regional Standard, or retirement of an existing Regional Standard. The MRC may, in its sole discretion, expand or narrow the scope of the SAR under consideration.
- **Reject** the SAR by providing a written explanation for rejection to the Originator within 30 days of the decision, and the Texas RE Board shall be notified of such explanation. The Texas RE Board may, at its discretion, direct the MRC to reconsider any SAR that has been rejected.
- **Remand** the SAR back to the Originator for additional work. The RSM will make reasonable efforts to assist the Originator in addressing the deficiencies identified by the MRC. The Originator may then resubmit the modified SAR using the process above. The Originator may choose to withdraw the SAR from further consideration prior to re-submittal to the MRC. There is no established limit on the number of times a SAR may be resubmitted and posted for a public comment period using the process in sections 4.1 – 4.3.

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

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

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

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<sup>9</sup> The current and approved MRC Procedures are on Texas RE's website.

#### 4.4. Formation of the Standard Drafting Team (SDT)

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

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

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

#### 4.5. Work Product of the Standard Drafting Team

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

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

- A work plan including the establishment of milestones for completing critical elements. This plan shall be delivered and reported to the MRC.
- A draft Regional Standard consistent with the SAR on which it was based. The draft Regional Standard shall contain the elements described in section 2 and the RSDP shall adhere to the attributes described in section 1.
- An implementation plan, including the nature, extent, and duration of field-testing, if any. The implementation plan shall include:
  - The proposed effective date, or date by which entities shall be compliant with the requirements;
  - New or revised definitions, if applicable, and the effective date(s) of those definition(s); and

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<sup>10</sup> These materials are available on NERC's website.

- Whether there are any prerequisite actions that need to be accomplished prior to registered entities being held responsible for the requirements.
- Identification of any existing Regional Standard (or other regional criteria, protocol, or rule) that may be retired, in part or whole, or otherwise impacted by the implementation of the proposed Regional Standard.
- Technical reports and/or work papers that provide technical support for the Regional Standard under consideration.
- A draft of recommended Violation Risk Factors (VRFs) and Violation Severity Levels (VSLs) that meet the latest criteria<sup>11</sup> established by NERC and Applicable Governmental Authorities. The SDT may coordinate with Texas RE Standards Department to develop VRFs and VSLs.
- A draft Reliability Standard Audit Worksheet (RSAW) developed collaboratively by the SDT and Texas RE Standards Department. RSAWs are not part of the Regional Standard. A non-binding poll may be conducted for the RSAW developed through this process to gauge industry support. Results of the non-binding poll will be provided to the Texas RE Board for informational purposes.

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

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

#### **4.6. Informal Feedback**

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

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

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

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<sup>11</sup> NERC criteria may be found on NERC's website.

#### 4.8. Form Ballot Pool

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

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

#### 4.9. Public Comment Period

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

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

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

#### 4.10. Ballot Period

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

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

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

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

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

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

#### **4.11. Ballot Results**

The RSM shall review and tally the ballot results.

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

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

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

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

#### **4.12. Response to Comments**

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

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



The SDT shall prepare a “modification report” containing the following:

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

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

#### **4.13. Conduct Final Ballot**

The SDT shall conduct a final ballot when:

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

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

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

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

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

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

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

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

#### **4.15. Action by the Texas RE Board**

The Work Product submitted to the Texas RE Board for action shall be publicly posted at least seven days prior to action by the Texas RE Board. At a regular or special meeting, the Texas RE Board shall take action on the draft Regional Standard, Implementation Plan, and associated

VRFs and VSLs for any approved Regional Standard. The Texas RE Board shall be provided with an informational package that includes:

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

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

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

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

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

#### **4.16 Submittal to NERC**

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

#### **4.17 Implementation of a Regional Standard**

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

### **5. Maintenance of the Texas RE RSDP**

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

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

## **6. Maintenance of Regional Standards**

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

## **7. Urgent Action**

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

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

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

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

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

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

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

## **8. Interpretations of Regional Standards**

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

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

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

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

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

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

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

### **8.1. Process for Developing an interpretation**

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

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

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

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

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

## **9. Appeals**

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

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

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

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

### **Level 1 Appeal**

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

### **Level 2 Appeal**

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

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

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

## **10. Field Tests**

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

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

## Appendix A – Balloting Examples

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

### Example RBB

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

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

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

Totals	16				
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Example 2 – A quorum has been established with 4 of the 6 Sectors having registered an affirmative, negative, or an abstention vote. Less than two-thirds of the Sectors (1 of 4 voting Sectors) have voted to approve the Regional Standard. The Regional Standard is NOT approved.

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

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

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



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

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





