

## **Revisions to EOP-012-2 Standard Authorization Request and Project Waivers**

### **Action**

- Accept the Revisions to EOP-012-2 Standard Authorization Request (SAR);
- Approve the following waiver of provisions of the Standard Processes Manual (SPM) for Project 2024-02 Revisions to EOP-012-2:
  - Informal comment period for SAR reduced from 30 days to as few as 15 days (Section 4.2);
  - Initial formal comment and ballot period(s) reduced from 45 days to as little as 20 days, with the ballot pool formed concurrently during the first 10 days of the initial formal comment period, and with the ballot and non-binding poll of Violation Risk Factors (VRFs) and Violation Severity Levels (VSLs) conducted concurrently during the last 5 days of the comment period (Sections 4.8 and 4.9);
  - Additional formal comment and ballot period(s) reduced from 30 days to as little as 15 days, with the ballot and non-binding poll of VRFs and VSLs conducted concurrently during the last 5 days of the comment period (Sections 4.9 and 4.12);
  - Final ballot period(s) reduced from 10 days to as little as 5 days (Section 4.13);
- Authorize posting of the SAR for an informal comment period of at least 15 days;
- Authorize solicitation of the drafting team (DT) members for a period of at least 15 days; and
- Delegate to Standards Committee Executive Committee (SCEC) authority to act on the following actions:
  - Appoint members, chair, and vice chair to the DT for this project as recommended by NERC Staff;
  - Accept a revised Revisions to EOP-012-2 SAR; and
  - Authorize drafting the proposed Reliability Standard or revisions to the standard.

### **Background**

NERC developed the original version of the generator cold weather preparedness Reliability Standard, Reliability Standard EOP-012-1, in 2022 under Project 2021-07 Extreme Cold Weather Grid Operations, Preparedness, and Coordination. The purpose of this project was to address standards-related recommendations from the Federal Energy Regulatory Commission (FERC)/NERC/Regional Entity staff review of operations during the February 2021 Winter Storm Uri event.

NERC developed Reliability Standard EOP-012-2 in 2023-2024 to address Commission directives from the February 2023 order approving Reliability Standards EOP-012-1 and EOP-011-3.<sup>1</sup> In the February 2023 Order, the Commission directed that NERC revise EOP-012-1 to clarify the applicability of the standard's requirements for generator cold weather preparedness, further define the circumstances under which a Generator Owner may declare that constraints preclude them from implementing one or more corrective actions to address freezing issues, and to

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<sup>1</sup> *N. Am. Elec. Reliability Corp.*, 182 ¶ 61,094 (2023) ("February 2023 Order").

shorten the implementation timeline so cold weather reliability risks would be addressed more quickly. Due to FERC's one-year deadline, the Standards Committee (SC) authorized two sets of SPM waivers to ensure a timely completion. Nevertheless, due to the complex nature of the issues presented, the development process was not complete until approximately seven days prior to the FERC filing deadline.

On June 27, 2024, FERC issued an order approving Reliability Standard EOP-012-2.<sup>2</sup> While finding Reliability Standard EOP-012-2 represented an improvement over the prior version, and addressed many of its concerns, FERC found the standard requires further improvement to address certain concerns remaining from its February 2023 order. FERC, therefore, directed NERC to revise the standard in five areas, and to submit a revised standard within nine (9) months of the date of the order, or by **March 27, 2025**.

As work under Project 2021-07 has concluded, NERC Management submitted a SAR to form a new project to address the directives from FERC's June 2024 order.

Section 4.2 of the SPM, SAR Posting, provides as follows:

- When the SC determines it is ready to initiate a new project, the SC shall direct NERC Staff to post the project's SAR in accordance with the following:
  - For SARs that are limited to addressing regulatory directives, or revisions to Reliability Standards that have had some vetting in the industry as determined by the SC, authorize posting of the SAR for a 30-day informal comment period, with no requirement to provide a formal response to the comments received.

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Section 16.0 of the SPM, Waiver, states: "The Standards Committee may waive any of the provisions contained in this manual for good cause shown, but limited to the following circumstances...where necessary to meet regulatory deadlines."

Under Chapter 7 of the SC Charter, the SCEC is authorized by the SC to act on its behalf, between regular meetings on matters where urgent actions are crucial and full SC discussions are not practical. The SCEC has the authority to, among other things, act on the SC's behalf to authorize postings of Reliability Standards, and to take any other actions not specified in the Charter that are delegated by the SC.

## Summary

Due to the complex nature of the issues to be addressed in this round of development, which have been considered at length in two phases before, the history of EOP-012 development, and the nine-month deadline for submission, this project will be classified as high priority and NERC Staff recommends the SC afford all procedural flexibilities available to ensure the DT and NERC's stakeholders have sufficient time to develop a consensus standard addressing the FERC directives.

NERC Staff recommends the SC authorize an informal comment period for the SAR, as required by the SPM, as it is limited to addressing the FERC directives from the June 2024 Order.

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<sup>2</sup> *N. Am. Elec. Reliability Corp.*, 187 FERC ¶ 61, 204 (2024) ("June 2024 Order").

NERC Staff recommends the SC authorize procedural waivers under Section 16.0 of the SPM at the outset of the project. Many of the issues remaining to be addressed in the proposed project were discussed at length in the prior proceedings, and in the FERC approval proceedings. Nevertheless, procedural flexibilities will be needed to allow for as fulsome a consideration of the issues as is possible under the circumstances. NERC will endeavor to provide as much time as is reasonably possible for industry to comment on each draft, which may be longer than the minimum periods recommended above.

NERC Staff also recommends the SC delegate authority to take certain intermediate actions to the SCEC. Consistent with prior SCEC authorizations and the SC Charter, the SCEC would be asked to consider any actions delegated to it in a properly noticed, public session, with the results publicly reported. To the extent the schedule permits consideration of these items by the full Committee, NERC Staff will endeavor to do so.

Should the SC accept the SAR and authorize its posting for an informal comment period as required by the SPM, NERC Staff would prepare a suite of questions intended to solicit stakeholder feedback on how to best address the FERC directives. This feedback would be presented to the DT so it may be taken into consideration when preparing the first draft of a revised EOP-012-3 standard. NERC Staff believes that adopting such an approach is most likely to benefit the consensus process over general questions about scope and reliability need, as the “need” for the project has already been established by the June 2024 Order, and the scope for the project is limited to addressing the directives from that order.