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**BEFORE THE  
PROVINCE OF MANITOBA**

**NORTH AMERICAN ELECTRIC )  
RELIABILITY CORPORATION )**

**NOTICE OF FILING OF THE  
NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION  
OF THE NERC GLOSSARY TERMS “BULK-POWER SYSTEM,” “RELIABLE  
OPERATION” AND “RELIABILITY STANDARD”**

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*Counsel for the North American Electric  
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June 4, 2013

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**BEFORE THE  
PROVINCE OF MANITOBA**

NORTH AMERICAN ELECTRIC )  
RELIABILITY CORPORATION )

**NOTICE OF FILING OF THE  
NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION  
OF DEFINITIONS IN THE  
NERC GLOSSARY OF TERMS USED IN RELIABILITY STANDARDS**

The North American Electric Reliability Corporation (“NERC”) hereby submits the proposed terms “Bulk-Power System,” “Reliability Standard,” and “Reliable Operation” for inclusion in the NERC *Glossary of Terms Used in Reliability Standards* (“NERC Glossary”) in compliance with Federal Energy Regulatory Commission Order No. 693.<sup>1</sup>

**I. EXECUTIVE SUMMARY**

In Order No. 693, FERC noted that the terms defined in the NERC Glossary have an important role in establishing consistent understanding of the Reliability Standards Requirements and implementation.<sup>2</sup> The NERC Glossary provides continuity in the application of the glossary definitions industry-wide and eliminates multiple interpretations of the same term or function, which could otherwise create miscommunication or jeopardize reliability. The NERC Glossary is updated through the Reliability Standards development process whenever a new or revised Reliability Standard that includes a new defined term is approved, or as needed. In Order No. 693, FERC directed NERC to modify the NERC Glossary to include statutory definitions of the

<sup>1</sup> See *Mandatory Reliability Standards for the Bulk-Power System*, Order No. 693, FERC Stats. & Regs. ¶ 31,242 at P 1894, *order on reh’g*, Order No. 693-A, 120 FERC ¶ 61,053 (2007)(“The Commission directs the ERO to modify the glossary through the Reliability Standards development process to include the statutory definitions of the terms Bulk-Power System, Reliable Operation and Reliability Standard.”).

<sup>2</sup> Order No. 693 at P 1894.

terms “Bulk-Power System,” “Reliable Operation” and “Reliability Standard.”<sup>3</sup> The instant petition is submitted in compliance with that directive.

There is significant overlap amongst the proposed terms as the section 215 definition of the terms “Reliable Operation” and “Reliability Standard” include the section 215 defined term “Bulk-Power System,” and the section 215 definition of the term “Reliability Standard” also includes the term “Reliable Operation.”<sup>4</sup>

Consistent with NERC’s international status, slight modifications to the statutory definitions were necessary to clarify the terms “Commission” and “section” (contained in the section 215 definition of the term “Reliability Standard”). “Commission” refers to the Federal Energy Regulatory Commission in the United States and applicable governmental authorities approving, or recognizing the standard, in other jurisdictions; similarly, “section” has been replaced with “section 215 of the Federal Power Act.” These minor modifications are fully consistent with section 215 and the recognized need for international agreements with the governments of Canada and Mexico to provide for effective compliance with Reliability Standards and the effectiveness of the ERO in the United States and Canada or Mexico.<sup>5</sup>

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<sup>3</sup> *Id.* The statutory definitions for these terms are in section 215 of the Federal Power Act (16 U.S.C. § 824o).

<sup>4</sup> *See* Section IV.

<sup>5</sup> *See* section 215(h).

## **II. NOTICES AND COMMUNICATIONS**

Notices and communications with respect to this filing may be addressed to the following:

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## **III. BACKGROUND**

### **A. NERC Reliability Standards Development Procedure**

The proposed NERC Glossary terms were developed in an open and fair manner and in accordance with the Reliability Standard development process. NERC develops Reliability Standards and NERC Glossary terms in accordance with Section 300 (Reliability Standards Development) of its Rules of Procedure and the NERC Standard Processes Manual.<sup>6</sup> NERC's proposed rules provide for reasonable notice and opportunity for public comment, due process, openness, and a balance of interests in developing Reliability Standards and thus satisfies certain of the criteria for approving Reliability Standards. The development process is open to any

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<sup>6</sup> The NERC Rules of Procedure are available here: <http://www.nerc.com/page.php?cid=1%7C8%7C169>. The current NERC Standard Processes Manual is available here: [http://www.nerc.com/files/Appendix\\_3A\\_StandardsProcessesManual\\_20120131.pdf](http://www.nerc.com/files/Appendix_3A_StandardsProcessesManual_20120131.pdf).

person or entity with a legitimate interest in the reliability of the Bulk-Power System. NERC considers the comments of all stakeholders, and a vote of stakeholders and the NERC Board of Trustees is required to approve a NERC Glossary term before the term is submitted to the applicable governmental authorities.

#### IV. JUSTIFICATION

##### A. **Basis of Proposed Term “Bulk-Power System”**

The term “Bulk-Power System” is defined in section 215 of the FPA as follows:

(1) The term ‘**bulk-power system**’ means—

(A) facilities and control systems necessary for operating an interconnected electric energy transmission network (or any portion thereof); and

(B) electric energy from generation facilities needed to maintain transmission system reliability.

The term does not include facilities used in the local distribution of electric energy.

The proposed definition of the term “Bulk-Power System” for inclusion in the NERC Glossary is as follows:

**“Bulk-Power System”** means, (A) facilities and control systems necessary for operating an interconnected electric energy transmission network (or any portion thereof); and (B) electric energy from generation facilities needed to maintain transmission system reliability. The term does not include facilities used in the local distribution of electric energy.

The proposed definition of “Bulk-Power System” is identical to the definition in section 215 of the FPA.

##### B. **Basis of Proposed Term “Reliable Operation”**

The term “Reliable Operation” is defined in section 215 of the FPA as follows:

(4) The term ‘**reliable operation**’ means operating the elements of the bulk-power system within equipment and electric system thermal, voltage, and stability limits so that instability, uncontrolled separation, or cascading failures of such system will not occur as a result of a sudden disturbance, including a cybersecurity incident, or unanticipated failure of system elements.

The proposed definition of the term “Reliable Operation” for inclusion in the NERC Glossary is as follows:

“**Reliable Operation**” means operating the elements of the Bulk-Power System within equipment and electric system thermal, voltage, and stability limits so that instability, uncontrolled separation, or cascading failures of such system will not occur as a result of a sudden disturbance, including a cybersecurity incident, or unanticipated failure of system elements.

The proposed definition of “Reliable Operation” is identical to the definition in section 215 of the FPA (although “Bulk-Power System” is capitalized to reflect the fact that it is also a defined term).

### C. Basis of Proposed Term “Reliability Standard”

The term “Reliability Standard” is defined in section 215 of the FPA as follows:

(3) The term ‘**reliability standard**’ means a requirement, approved by the Commission under this section, to provide for reliable operation of the bulk-power system. The term includes requirements for the operation of existing bulk-power system facilities, including cybersecurity protection, and the design of planned additions or modifications to such facilities to the extent necessary to provide for reliable operation of the bulk-power system, but the term does not include any requirement to enlarge such facilities or to construct new transmission capacity or generation capacity.

The proposed definition of the term “Reliability Standard” for inclusion in the NERC Glossary is as follows:

“**Reliability Standard**” means a requirement, approved by the United States Federal Energy Regulatory Commission under Section 215 of the Federal Power Act, or approved or recognized by an applicable governmental authority in other jurisdictions, to provide for Reliable Operation of the Bulk-Power System. The term includes

requirements for the operation of existing Bulk-Power System facilities, including cybersecurity protection, and the design of planned additions or modifications to such facilities to the extent necessary to provide for Reliable Operation of the Bulk-Power System, but the term does not include any requirement to enlarge such facilities or to construct new transmission capacity or generation capacity.

As noted herein, the proposed definition of “Reliability Standard” is substantively identical to the definition in section 215 of the FPA, although the terms “Bulk-Power System” and “Reliable Operation” are capitalized to reflect the fact that they are defined terms and slight modifications were necessary to clarify the terms “Commission” and “section” (contained in the section 215 definition of the term “Reliability Standard”). “Commission” refers to the Federal Energy Regulatory Commission in the United States and applicable governmental authorities approving, or recognizing the standard, in other jurisdictions; similarly, “section” has been replaced with “section 215 of the Federal Power Act.”

These minor modifications are fully consistent with section 215 and the recognized need for international agreements with the governments of Canada and Mexico to provide for effective compliance with Reliability Standards and the effectiveness of the ERO in the United States and Canada or Mexico.<sup>7</sup>

## **V. SUMMARY OF THE RELIABILITY STANDARD DEVELOPMENT PROCEEDINGS**

### **A. Standard Authorization Request Development**

On May 10, 2012, the Standards Committee authorized the posting of a Standard Authorization Request (“SAR”) for adding the statutory definitions of “Bulk-Power System,” “Reliability Standard,” and “Reliable Operation” to the NERC Glossary for a 45-day comment period.

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<sup>7</sup> See section 215(h).



**B. First Posting – Formal Comment and Initial Ballot**

The proposed terms were posted for a 45-day formal comment period and initial ballot from June 19, 2012 through August 2, 2012. The initial ballot was conducted during the final 10 days of the formal comment period, from July 24, 2012 to August 2, 2012. The initial ballot was unsuccessful largely due to the fact that the definitions posted did not match the statutory language of the Federal Power Act. Instead the definitions matched the Rules of Procedure definitions for the three terms, and the weighted segment vote for the definitions was only 54.16%.

**C. Second Posting – Formal Comment and Successive Ballot**

The proposed NERC Glossary terms were posted for a formal comment period and a successive ballot from February 21, 2013 to March 22, 2013. The successive ballot was during the final 10 days of the comment period from March 13, 2012 to March 22, 2013. The Glossary terms passed with an approval vote of 84.27%.

**D. Third Posting – Recirculation Ballot**

The proposed NERC Glossary terms were posted for a recirculation ballot from April 18, 2013 to April 29, 2013. The Glossary terms passed with an approval of 88.15%.

**E. Board of Trustees Approval**

The NERC Board of Trustees approved the proposed Glossary terms on May 9, 2013.

Respectfully submitted,

*/s/ Stacey Tyrewala*

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June 4, 2013

## **EXHIBITS A – D**

(Available on the NERC Website at  
[http://www.nerc.com/fileUploads/File/Filings/Attachments\\_glossary\\_terms\\_filing](http://www.nerc.com/fileUploads/File/Filings/Attachments_glossary_terms_filing))