



September 26, 2011

VIA ELECTRONIC FILING

Kirsten Walli, Board Secretary
Ontario Energy Board
P.O Box 2319
2300 Yonge Street
Toronto, Ontario, Canada
M4P 1E4

Re: *North American Electric Reliability Corporation*

Dear Ms. Walli:

The North American Electric Reliability Corporation (“NERC”) hereby submits this petition seeking approval of EOP-001-0b and EOP-001-2b — Emergency Operations Planning, which has appended to it an interpretation of Requirements R1 and R3.2 to NERC Reliability Standards EOP-001-0 and Requirements R1 and R2.2 to EOP-001-2 — Emergency Operations Planning, as set forth in **Exhibit B** and **Exhibit C** to this petition.

Specifically, this petition is seeking approval of:

- an interpretation to Requirement R1 of EOP-001-0 — Emergency Operations Planning as set forth in **Exhibit A** to the petition to become effective concurrent with the date of an Order approving this petition;
- an interpretation to Requirement R3.2 of EOP-001-0 Emergency Operations Planning also set forth in **Exhibit A** to this petition to become effective concurrent with the date of an Order approving this petition;

- Reliability Standard EOP-001-0b — Emergency Operations Planning, that includes the appended interpretation of Requirement R1 and R3.2 as set forth in **Exhibit B** to the petition to become effective concurrent with the date of an Order approving this petition;
- Retirement of Reliability Standard EOP-001-0b — Emergency Operations Planning effective as of midnight on June 30, 2013; and
- Reliability Standard EOP-001-2b — Emergency Operations Planning, that includes the appended interpretations to Requirement R1 and R2.2 as set forth in **Exhibit C** to the petition to become effective on July 1, 2013, consistent with the Federal Energy Regulatory Commission’s (“FERC” approval date of the EOP-001-2 Reliability Standard approved in FERC Order Nos. 748 and 749.¹

These interpretations were approved by the NERC Board of Trustees on November 4, 2010.

NERC’s petition consists of the following:

- This transmittal letter;
- A table of contents for the filing;
- A narrative description explaining the interpretations and how they meet the reliability goal of the standard;
- Interpretations of Requirements R1 and R3.2 of EOP-001-0 — Emergency Operations Planning (**Exhibit A**);
- Proposed Reliability Standard EOP-001-0b — Emergency Operations Planning, that includes the appended interpretations of Requirements R1 and R3.2 of EOP-001-0 — Emergency Operations Planning, submitted for approval (**Exhibit B**);

¹ *Mandatory Reliability Standards for Interconnection Reliability Operating Limits*, 134 FERC ¶ 61,213, Order No. 748 (2011); *System Restoration Reliability Standards*, 134 FERC ¶ 61,215, Order No. 749 (2011); *Mandatory Reliability Standards for Interconnection Reliability Operating Limits; System Restoration Reliability Standards*, 136 FERC ¶ 61,030, Order Nos. 748-A and 749-A (2011).

- Reliability Standard EOP-001-2b — Emergency Operations Planning, that includes the appended interpretations of Requirement R1 and R2.2 (**Exhibit C**)
- Consideration of Comments for interpretations to Requirements R1 of EOP-001-0 — Emergency Operations Planning (**Exhibit D**)
- Consideration of Comments for interpretations to Requirements R3.2 of EOP-001-0 — Emergency Operations Planning (**Exhibit E**)
- The complete development record of the interpretation Requirement R1 of EOP-001-0 — Emergency Operations Planning (**Exhibit F**);
- The complete development record of the interpretation Requirement R3.2 of EOP-001-0 — Emergency Operations Planning (**Exhibit G**); and
- A roster of the interpretation drafting team for the interpretations of Requirements R1 EOP-001-0 — Emergency Operations Planning (**Exhibit H**).
- A roster of the interpretation drafting team for the interpretations of Requirements R3.2 EOP-001-0 — Emergency Operations Planning (**Exhibit I**).

Please contact the undersigned if you have any questions.

Respectfully submitted,

/s/ Andrew M. Dressel

Andrew M. Dressel

*Attorney for North American Electric
Reliability Corporation*

**BEFORE THE
ONTARIO ENERGY BOARD
OF THE PROVINCE OF ONTARIO**

**NORTH AMERICAN ELECTRIC)
RELIABILITY CORPORATION)**

**PETITION OF THE
NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION FOR
APPROVAL OF INTERPRETATIONS TO REQUIREMENTS
OF RELIABILITY STANDARDS
EOP-001-0 and EOP-001-2— EMERGENCY OPERATIONS PLANNING**

Gerald W. Cauley
President and Chief Executive Officer
3353 Peachtree Road N.E.
Suite 600, North Tower
Atlanta, GA 30326-1001
David N. Cook
Senior Vice President and General Counsel
North American Electric Reliability
Corporation
1120 G Street N.W., Suite 990
Washington, D.C. 20005-3801
david.cook@nerc.net

Holly A. Hawkins
Assistant General Counsel for
Standards and Critical Infrastructure
Protection
Andrew M. Dressel
Attorney
North American Electric Reliability
Corporation
1120 G Street, N.W.
Suite 990
Washington, D.C. 20005-3801
(202) 393-3998
(202) 393-3955 – facsimile
holly.hawkins@nerc.net
andrew.dressel@nerc.net

September 26, 2011

TABLE OF CONTENTS

I.	Introduction	1
II.	Notices and Communications	4
III.	Background	5
	a. Basis for Approval of Proposed Interpretation	5
	b. Reliability Standards Development Procedure and Interpretation	5
IV.	Reliability Standard EOP-001-0 and EOP-001-2 — Emergency Operations Planning	7
	a. Justification for Approval of Interpretations	
	1. Requirement R1	7
	2. Requirement R3.2	11
	b. Summary of the Interpretation Development Proceedings	
	1. Requirement R1	12
	2. Requirement R3.2	14
	c. Future Action	16
V.	Conclusion	16

Exhibit A — Interpretations of Requirements R1 and R3.2 of EOP-001-0 — Emergency Operations Planning.

Exhibit B — Proposed Reliability Standard EOP-001-0b — Emergency Operations Planning, that includes the appended interpretations of Requirements R1 and R3.2 of EOP-001-0 — Emergency Operations Planning, submitted for approval.

Exhibit C — Proposed Reliability Standard EOP-001-2b — Emergency Operations Planning, that includes the appended interpretations of Requirements R1 and R2.2 of EOP-001-2 — Emergency Operations Planning, submitted for approval.

Exhibit D — Consideration of Comments for interpretations to Requirements R1 of EOP-001-0 — Emergency Operations Planning

Exhibit E — Consideration of Comments for interpretations to Requirements R3.2 of EOP-001-0 — Emergency Operations Planning

Exhibit F — Complete Record of Development of the Interpretation of Requirement R1 of EOP-001-0 — Emergency Operations Planning.

Exhibit G — Complete Record of Development of the Interpretation of Requirement R3.2 of EOP-001-0 — Emergency Operations Planning.

Exhibit H — Roster of the Interpretation Drafting Team for the Interpretation of Requirement R1 of EOP-001-0 — Emergency Operations Planning.

Exhibit I — Roster of the Interpretation Drafting Team for the Interpretation of Requirement R3.2 of EOP-001-0 — Emergency Operations Planning.

I. INTRODUCTION

The North American Electric Reliability Corporation (“NERC”) hereby requests approval of Reliability Standard EOP-001-0b² — Emergency Operations Planning (EOP-001-0b), to become effective concurrent with the date of an Order approving this petition, and Reliability Standard EOP-001-2b,³ to become effective on July 1, 2013, consistent with the effective date of the EOP-001-2 Reliability Standard approved in FERC Order Nos. 748 and 749.⁴

Specifically, this petition is seeking approval of:

- an interpretation to Requirement R1 of EOP-001-0 — Emergency Operations Planning (EOP-001-0) as set forth in **Exhibit A** to this petition to become effective concurrent with the date of an Order approving this petition;
- an interpretation to Requirement R3.2 of EOP-001-0 — Emergency Operations Planning (EOP-001-0)⁵ also set forth in **Exhibit A** to this petition to become effective concurrent with the date of an Order approving this petition;

² NERC is requesting that the proposed standard with both interpretations appended (for R1 and R3.2 respectively) be labeled as EOP-001-0b. If only one of the two interpretations are approved the proposed standard with one interpretation appended shall be designated EOP-001-0a.

³ As in Footnote 5, NERC is requesting that the proposed standard with both interpretations appended (for R1 and R2.2 respectively) be labeled as EOP-001-2b. If only one of the two interpretations are approved the proposed standard with one interpretation appended shall be designated EOP-001-2a.

⁴ *Mandatory Reliability Standards for Interconnection Reliability Operating Limits*, 134 FERC ¶ 61,213, Order No. 748 (2011); *System Restoration Reliability Standards*, 134 FERC ¶ 61,215, Order No. 749 (2011); *Mandatory Reliability Standards for Interconnection Reliability Operating Limits; System Restoration Reliability Standards*, 136 FERC ¶ 61,030, Order Nos. 748-A and 749-A (2011).

⁵ Requirement R3.2 in EOP-001-0 is the same requirement as Requirement R2.2 in EOP-001-2. EOP-001-2 but will not be effective until July 1, 2013. However, because EOP-001-0 is the currently-effective and enforceable Reliability Standard and EOP-001-2 is not yet effective, NERC chose to refer to R3.2 in EOP-001-0 throughout the body of this filing. NERC requests consideration of these alternate references as equivalent as they are referring to the same requirement.

- Reliability Standard EOP-001-0b — Emergency Operations Planning, that includes the appended interpretations of Requirements R1 and R3.2 as set forth in **Exhibit B** to this petition, to become effective concurrent with the date of an Order approving this petition;
- Retirement of Reliability Standard EOP-001-0— Emergency Operations Planning with EOP-001-0b effective as of midnight on June 30, 2013;
- Reliability Standard EOP-001-2b — Emergency Operations Planning, , that includes the appended interpretations of Requirements R1 and R2.2 as set forth in **Exhibit C** to this petition, to become effective July 1, 2013, consistent with FERC’s approval date of the EOP-001-2 Reliability Standard approved in FERC Order Nos. 748 and 749.⁶

Upon approval, NERC will refer to the Reliability Standards affected by this interpretation as:

- EOP-001-0b — Emergency Operations Planning (EOP-001-0b)
- EOP-001-2b — Emergency Operations Planning (EOP-001-2b)

NERC’s interpretation process does not allow for modification to the language contained in a Reliability Standard nor its requirements through a request for an interpretation. A valid interpretation request is one that requests additional clarity about one or more requirements in a Reliability Standard and does not request verification as to whether or not a specific approach will be judged as complying with one or more requirements in a Reliability Standard. A valid interpretation in response to a request for

⁶ *Mandatory Reliability Standards for Interconnection Reliability Operating Limits*, 134 FERC ¶ 61,213, Order No. 748 (2011); *System Restoration Reliability Standards*, 134 FERC ¶ 61,215, Order No. 749 (2011); *Mandatory Reliability Standards for Interconnection Reliability Operating Limits; System Restoration Reliability Standards*, 136 FERC ¶ 61,030, Order Nos. 748-A and 749-A (2011).

interpretation provides additional clarity about one or more requirements within a Reliability Standard, but does not expand or limit the Reliability Standard or any of its requirements beyond the language contained in the standard.

The original request for the interpretation for Requirement R1 was written to seek clarity regarding Requirement R1 of EOP-001-0 and Requirement R2.2 of EOP-001-1. However, because EOP-001-1 will not become a mandatory and effective Reliability Standard, and EOP-001-2 — Emergency Operations Planning (EOP-001-2) will not be effective until July 1, 2013,⁷ NERC is seeking approval of the interpretations to be appended to currently effective EOP-001-0 standard until June 30, 2013, at which time the interpretations will be appended to the EOP-001-2 Reliability Standard upon its implementation date of July 1, 2013. The NERC Board of Trustees approved both of the interpretations to EOP-001 on November 4, 2010.

Exhibit A to this petition sets forth the interpretations of Requirements R1 and R3.2 to EOP-001-0. **Exhibit B** to this petition contains proposed Reliability Standard EOP-001-0b — Emergency Operations Planning, which includes the appended interpretations of Requirements R1 and R3.2. **Exhibit C** to this petition contains proposed Reliability Standard EOP-001-2b — Emergency Operations Planning, which includes the appended interpretations of Requirements R1 and R2.2. **Exhibit D** to this petition contains the drafting team’s consideration of industry comments for the interpretations to Requirements R1. **Exhibit E** to this petition contains the drafting team’s consideration of industry comments for the interpretations to Requirements R3.2.

⁷ *Mandatory Reliability Standards for Interconnection Reliability Operating Limits*, 134 FERC ¶ 61,213, Order No. 748 (2011); *System Restoration Reliability Standards*, 134 FERC ¶ 61,215, Order No. 749 (2011); *Mandatory Reliability Standards for Interconnection Reliability Operating Limits; System Restoration Reliability Standards*, 136 FERC ¶ 61,030, Order Nos. 748-A and 749-A (2011).

Exhibit F contains the complete development history of the Interpretation of Requirement R1 of EOP-001-0. **Exhibit G** to this petition contains the complete development history of the Interpretation of Requirement R3.2 of EOP-001-0— Emergency Operations Planning. **Exhibit H** to this petition contains the roster of the interpretation drafting team that drafted the interpretation of Requirement R1. **Exhibit I** to this petition contains the roster of the interpretation drafting team that drafted the interpretation of Requirement R3.2.

NERC filed these interpretations with FERC, and is filing these interpretations with the other applicable governmental authorities in Canada.

II. NOTICES AND COMMUNICATIONS

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

Gerald W. Cauley
President and Chief Executive Officer
3353 Peachtree Road N.E.
Suite 600, North Tower
Atlanta, GA 30326-1001
David N. Cook
Senior Vice President and General Counsel
North American Electric Reliability
Corporation
1120 G Street N.W., Suite 990
Washington, D.C. 20005-3801
david.cook@nerc.net

Holly A. Hawkins
Assistant General Counsel for Standards
and Critical Infrastructure
Andrew M. Dressel
Attorney
North American Electric Reliability
Corporation
1120 G Street, N.W.
Suite 990
Washington, D.C. 20005-3801
(202) 393-3998
(202) 393-3955 – facsimile
holly.hawkins@nerc.net
andrew.dressel@nerc.net

III. BACKGROUND

a. Basis for Approval of Proposed Reliability Standard

The proposed Reliability Standard contains interpretations of two requirements within a Reliability Standard but does not represent a new or modified Reliability Standard. The proposed Reliability Standard provides additional clarity with regard to the intent of the Reliability Standard. Therefore, NERC requests approval of the proposed interpretations.

b. Reliability Standards Development Procedure and Interpretation

All persons who are directly or materially affected by the reliability of the North American bulk power system are permitted to request an interpretation of a Reliability Standard, as discussed in NERC's *Standard Processes Manual*,⁸ which is incorporated into the NERC Rules of Procedure as Appendix 3A.

The process for responding to a valid request for interpretation requires NERC to assemble a team with the relevant expertise to address the interpretation request. The interpretation drafting team is then required to draft a response to the request for interpretation and then present that response for industry ballot. If approved by the ballot pool and the NERC Board of Trustees, the interpretation is appended to the Reliability Standard and filed for approval by FERC and applicable governmental authorities in Canada. Then, when the affected Reliability Standard undergoes its next substantive revision, the interpretation will be incorporated into the Reliability Standard, as appropriate.

⁸ NERC's *Reliability Standards Development Procedure* is available on NERC's website at: http://www.nerc.com/fileUploads/File/Standards/RSDP_V6_1_12Mar07.pdf. The *Standard Processes Manual* is available at: http://www.nerc.com/files/Appendix_3A_Standard_Processes_Manual_20100903.pdf.

The Operating Reliability Subcommittee Executive Committee (“ORS EC”) was appointed as the interpretation drafting team to draft the response to the request for interpretation of Requirement R1 of EOP-001-0. The interpretation to Requirement R1 is included as **Exhibit A** to this petition. The roster for the interpretation drafting team for EOP-001-0 Requirement R1 is contained in **Exhibit H**. The proposed interpretation included as **Exhibit A** to this petition was approved by the ballot pool on October 14, 2010 with a weighted segment approval of 99.14%. The proposed interpretation was approved by the NERC Board of Trustees on November 4, 2010.

A separate interpretation drafting team was appointed to draft the response to the request for interpretation of Requirement R3.2 of EOP-001-0. The roster for this interpretation drafting team is contained in **Exhibit I**. The interpretation drafted by the interpretation drafting team is also included in **Exhibit A** to this petition. The interpretation to Requirement R3.2 was approved by industry stakeholders with a 94.78% weighted-segment vote on October 15, 2010. The interpretation was approved by the NERC Board of Trustees on November 4, 2010.

The interpretation drafting team’s considerations of comments for the interpretation of Requirement R1 is contained in **Exhibit D**. The interpretation drafting team’s considerations of comments for the interpretation of Requirement R3.2 is contained in **Exhibit E**. The complete development record for the interpretations, including the requests for the interpretation, the responses to the requests for the interpretation, the ballot pool, and the final ballot results by registered ballot body members, stakeholder comments received during the balloting and an explanation of how those comments were considered are set forth in **Exhibits F** (Requirement R1) and **G**

(Requirement R3.2). **Exhibit H** (Requirement R1) and **I** (Requirement R3.2) contain the rosters of the team members who developed the proposed interpretations.

IV. Proposed Reliability Standard EOP-001-0b and EOP-001-2b — Emergency Operations Planning

In Section IV(a), below, NERC summarizes the justification for the proposed interpretations of Requirements R1 and R3.2 of EOP-001-0 and EOP-001-2b — Emergency Operations Planning and explains the development of the interpretations. Section IV(b), below, describes the development proceedings for these interpretations. Section IV(b) includes the stakeholder ballot results and provides an explanation of how stakeholder comments were considered and addressed by the interpretation drafting teams assembled to develop the interpretations.

a. Justification for Approval of Interpretations

1. Requirement R1

On April 2, 2008 the Regional Entity Compliance Managers (“RECM”)⁹ requested an interpretation of Requirement R1 of EOP-001-0. Requirement R1 of EOP-001-0 states:

R1. Balancing Authorities shall have operating agreements with adjacent Balancing Authorities that shall, at a minimum, contain provisions for emergency assistance, including provisions to obtain emergency assistance from remote Balancing Authorities.

Specifically, the RECM sought clarification with respect to the following language in EOP-001-0, Requirement 1:

⁹ The RECM requesting this interpretation consisted of representatives from the Florida Reliability Coordinating Council, Northeast Power Coordinating Council, Midwest Reliability Organization, ReliabilityFirst Corporation, SERC Reliability Corporation, Southwest Power Pool Regional Entity, Texas Regional Entity, and Western Electricity Coordinating Council.

1. What is the definition of emergency assistance in the context of this standard?
What scope and time horizons, if any, are considered necessary in this definition?
2. What was intended by using the adjective “adjacent” in Requirement 1? Does “adjacent” Balancing Authorities mean “All” or something else? Is there qualifying criteria to determine if a very small adjacent Balancing Authority area has enough capacity to offer emergency assistance?
3. What is the definition of the word “remote” as stated in the last phrase of Requirement 1? Does remote mean every Balancing Authority who’s area does not physically touch the Balancing Authority attempting to comply with this Requirement?
4. Would a Balancing Authority that participates in a Reserve Sharing Group Agreement, which meets the requirements of Reliability Standard BAL-002-0, Requirement 2, be required to establish additional operating agreements to achieve compliance with Reliability Standard EOP-001-0, Requirement 1?

The interpretation drafting team was provided the following guidelines for developing a response to the RECM’s request for interpretation:

With a clear understanding of the standard’s purpose and the technical engineering approach that best serves reliability, the team must judge whether the standard as written can be interpreted consistent with these interests using the following principles:

- a. The interpretation cannot change the requirement or standard. That is, the interpretation cannot expand the scope of the requirement beyond the language in the requirement.
- b. The interpretation must address the question posed or the team must explain why it cannot address the question.

- c. The interpretation drafting team has full latitude to respond to a question using requirements in other reliability standards that were not identified specifically in the request if that information addresses the issue.
- d. The interpretation itself must add clarity and not be ambiguous or subject to interpretation.
- e. The interpretation should address the intent of the requirement and be in the best interest of reliability.

The interpretation of the requirement, which if implemented by the applicable entities, will provide for a reliable bulk power system, in a manner consistent with good utility practice and the public interest. These principles and application guideline intend that the interpretation will not lower the current level of compliance to the requirement by the applicable entities.¹⁰

In response to the RECM interpretation request, the interpretation drafting team developed, and the industry stakeholders approved, the following interpretation:

1. *What is the definition of emergency assistance in the context of this standard?*

What scope and time horizons, if any, are considered necessary in this definition?

Response:

In the context of this standard, emergency assistance is emergency energy. Emergency energy would normally be arranged for during the current operating day. The agreement should describe the conditions under which the emergency energy will be delivered to the responsible Balancing Authority.

2. *What was intended by using the adjective “adjacent” in Requirement 1? Does*

“adjacent” Balancing Authorities mean “All” or something else? Is there qualifying criteria to determine if a very small adjacent Balancing Authority area has enough capacity to offer emergency assistance?

Response:

The intent is that all Balancing Authorities, interconnected by AC ties or DC (asynchronous) ties within the same Interconnection, have emergency energy assistance agreements with at least one Adjacent Balancing Authority and

¹⁰ These were the guidelines for drafting interpretations in force at the time the interpretation proposed for approval was developed.

have sufficient emergency energy assistance agreements to mitigate reasonably anticipated energy emergencies. However, the standard does not require emergency energy assistance agreements with all Adjacent Balancing Authorities, nor does it preclude having an emergency assistance agreement across Interconnections.

3. *What is the definition of the word “remote” as stated in the last phrase of Requirement 1? Does remote mean every Balancing Authority who’s area does not physically touch the Balancing Authority attempting to comply with this Requirement?*

Response:

A remote Balancing Authority is a Balancing Authority other than an Adjacent Balancing Authority. A Balancing Authority is not required to have arrangements in place to obtain emergency energy assistance with any remote Balancing Authorities. A Balancing Authority’s agreement(s) with Adjacent Balancing Authorities does (do) not preclude the Adjacent Balancing Authority from purchasing emergency energy from remote Balancing Authorities.

4. Would a Balancing Authority that participates in a Reserve Sharing Group Agreement, which meets the requirements of Reliability Standard BAL-002-0, Requirement 2, be required to establish additional operating agreements to achieve compliance with Reliability Standard EOP-001-0, Requirement 1?

Response:

A Reserve Sharing Group agreement that contains provisions for emergency assistance may be used to meet Requirement R1 of EOP-001-0.

The interpretation to Requirement R1 of EOP-001-0 is consistent with the stated purpose of the Reliability Standard, that each Transmission Operator and Balancing Authority needs to develop, maintain, and implement a set of plans to mitigate operating emergencies and that such plans need to be coordinated with other Transmission Operators and Balancing Authorities, and the Reliability Coordinator.

2. Requirement R3.2

The Florida Municipal Power Pool (“FMPP”) requested an interpretation of Requirement R3.2¹¹ of EOP-001-0 on October 15, 2009. Requirement R3.2 of EOP-001-0 states:

R3.2. [Each Transmission Operator and Balancing Authority shall:] develop, maintain, and implement a set of plans to mitigate operating emergencies on the transmission system.

FMPP requested clarity with respect to the emergency plans the Balancing Authority must have and asked the following regarding Requirement R3.2:

Does the Balancing Authority need to develop a plan to maintain a load-interchange-generation balance during operating emergencies and follow the directives of the Transmission Operator?

In response to FMPPs request for an interpretation of Requirement R3.2 of EOP-001-0, the interpretation drafting team developed, and the industry stakeholders and NERC Board of Trustees later approved, the following interpretation:

The answer to both parts of the question is yes. The Balancing Authority is required by the standard to develop, maintain, and implement a plan. The plan must consider the relationships and coordination with the Transmission Operator for actions directly taken by the Balancing Authority. The Balancing Authority must take actions either as directed by the Transmission Operator or the Reliability Coordinator (reference TOP-001-1, Requirement R3), or as previously agreed to with the Transmission Operator or the Reliability Coordinator to mitigate transmission emergencies. As stated in Requirement R5, the emergency plan shall include the applicable elements in “Attachment 1 – EOP-001-0.”

¹¹ FMPP requested an interpretation of Requirement R2.2 of EOP-001-1 and EOP-001-2 but the currently-effective standard is EOP-001-0 and the equivalent requirement is Requirement R3.2 of EOP-001-0. As stated above, EOP-001-1 shall not become an effective Reliability Standard; *i.e.*, EOP-001-0 will be replaced by EOP-001-2.

b. Summary of the Reliability Standard Development Proceedings

1. Requirement R1

NERC presented the interpretation of Requirement R1 for a first initial ballot from June 19, 2008, through July 2, 2008 in which 162 ballots were returned with an affirmative vote, a negative vote or an abstention. The result of the first initial ballot achieved an affirmative weighted segment approval of 85.7 percent. Of the 162 ballots, 14 affirmative votes were cast with a comment and 15 negative votes were cast with a comment. Because there were negative votes cast which included comments, the results from the first initial ballot were not final.

In summary, several comments received following the first initial ballot requested additional clarification of certain terms used in the interpretation such as dc voltages, the definition of “adjacent” regarding Balancing Authorities, and how much was “enough” emergency energy assistance. A few entities suggested increased requirements for emergency energy assistance and Reserve Sharing Group participation.

In response to the comments received during the first initial ballot, the interpretation drafting team modified the language in the interpretation to use the term “Adjacent Balancing Authority,” a defined term in the NERC Glossary of Terms Used in Reliability Standards, and clarified that Requirement R1 does not compel energy assistance agreements with all Adjacent Balancing Authorities. The standard process in place at the time of development of the interpretation did not allow any modifications to the interpretation between the initial and recirculation ballots without posting the revised interpretation for a new initial ballot. Accordingly, the drafting team determined that,

although the interpretation received sufficient affirmative votes to pass, the improved clarity desired by the stakeholders warranted another pre-ballot review and initial ballot.

The revised interpretation was posted for a second initial ballot from February 27, 2009, through March 9, 2009 in which 165 ballots were returned. The second initial ballot received an affirmative weighted segment approval of 89.03 percent. Of the 165 votes cast, 6 affirmative votes were cast with a comment and 11 negative votes were cast with a comment.

In response to the comments received during the second initial ballot, the interpretation drafting team 1) modified the language in paragraph 2 of the interpretation to insert the phrase “interconnected by AC ties or DC (asynchronous) ties within the same Interconnection;” 2) modified the language in the second sentence of paragraph 3 by changing the word “all” to “any;” and 3) modified paragraph 4 of the interpretation to “A Reserve Sharing Group agreement that contains provisions for emergency assistance may be used to meet Requirement R1 of EOP-001-0.”

Following the comments received during the second initial ballot, the drafting team made additional substantive changes which required a third initial ballot. The third ballot ran from November 5, 2009, through November 16, 2009 and 190 stakeholder ballots were returned. The third initial ballot achieved an affirmative weighted segment approval of 98.07%. Of the 190 votes cast, eight affirmative votes were cast with a comment and three negative votes were cast with a comment. These comments included concerns that the wording in the response to question 2 appeared to limit the Balancing Authority to agreements with Balancing Authorities within the same Interconnection, which may be interpreted to nullify the use of existing agreements that cross

Interconnections as sufficient to meet this requirement. In response to these comments the interpretation drafting team revised paragraph 2 of the interpretation to state,

“The intent is that all Balancing Authorities, interconnected by AC ties or DC (asynchronous) ties within the same Interconnection, have emergency energy assistance agreements with at least one Adjacent Balancing Authority and have sufficient emergency energy assistance agreements to mitigate reasonably anticipated energy emergencies. However, the standard does not require emergency energy assistance agreements with all Adjacent Balancing Authorities, nor does it preclude having an emergency assistance agreement across Interconnections.”

Due to the fact that the interpretation drafting team again made substantive changes to the interpretation, the revised interpretation was posted for a fourth initial ballot from April 15, 2010, through April 26, 2010. Two hundred votes were cast in the fourth initial ballot. The result of the fourth initial ballot achieved an affirmative weighted segment approval of 98.64 percent. Of the 200 ballots returned, two affirmative votes were cast with a comment and two negative votes were cast with a comment.

Because there were negative votes cast which included comments, the results from the fourth initial ballot were not final and a final recirculation ballot was conducted. The recirculation ballot for the interpretation was held from October 4, 2010, through October 14, 2010. The result of the final recirculation ballot achieved an affirmative weighted segment approval of 99.14 percent. The NERC Board of Trustees approved the interpretation on November 4, 2010.

2. Requirement R3.2

NERC presented the interpretation to Requirement R3.2¹² for pre-ballot review on January 11, 2010. The initial ballot ran from February 10, 2010 through February 22, 2010, achieving a quorum of 87.36 percent with a weighted affirmative approval of 91.79

¹² As noted in Footnote 8, Requirement R3.2 in EOP-001-0 is the same requirement as Requirement R2.2 in EOP-001-2.

percent. Because NERC received some negative votes with comments, the results from the initial ballot could not be used to approve the interpretation. There were three comments received in total – one associated with an affirmative vote and two associated with negative votes.

Balloters who submitted negative votes with comments expressed concern about a possible expansion of the scope of the standard as a result of the interpretation. The balloters pointed out that the interpretation implied that the standard required Balancing Authorities to have “agreements” and implied that the Balancing Authority is required to follow Transmission Operator directives, but does not specifically require either of these actions. The drafting team responded as follows:

The drafting team recognizes it went outside the bounds of EOP-001-1 and EOP-001-2 in the effort to provide additional clarification in the interpretation. Accordingly, the drafting team replaced the word “agreements” in the third sentence with “coordination.”¹³

Because the changes resulting from the comments were minor in nature,¹⁴ a recirculation ballot was held rather than a full re-posting of the ballot. The recirculation ballot was posted from October 5, 2010 through October 15, 2010 and achieved a quorum of 92.19 percent and approval of 94.78 percent. The NERC Board of Trustees approved the interpretation on November 4, 2010.

¹³ *Consideration of Comments*, attached as Exhibit D.

¹⁴ In the current NERC *Standard Processes Manual* interpretation drafting teams are allowed to make non-substantive changes to an interpretation between an initial ballot and a recirculation ballot. Previously, under the *Reliability Standards Development Procedure Version 7*, interpretation drafting teams were not allowed to make any changes to an interpretation between ballots.

c. Future Action

The EOP-001-2 Reliability Standard was submitted on January 21, 2010. Upon approval of the requested interpretations, the interpretations shall remain in effect until such time as the interpretation can be incorporated into a future revision of the standard.

NERC's *Reliability Standards Development Plan:2011-2013* contains Project 2009-03 Emergency Operations. This project will address the following standards:

- EOP-001-0 — Emergency Operations Planning
- EOP-002-2 — Capacity and Energy Emergencies
- EOP-003-1 — Load Shedding Plans

This project is not currently active but is in the project prioritization category of “Additional Projects to be Initiated in Order of Priority.” That is, as existing high priority or nearly completed projects move to the final balloting stage and receive Board and regulatory approval, NERC staff and industry resources will be freed up and can then work on the projects in this category as prioritized by the Standards Committee.

V. CONCLUSION

NERC respectfully requests approval of the Proposed Reliability Standard EOP-001-0b — Emergency Operations Planning, which includes the interpretations of Requirements R 1 and R3.2 of EOP-001-0 — Emergency Operations Planning , as set out in **Exhibit C**. NERC requests that the EOP-001-0b Reliability Standard become effective concurrent with the date of an Order approving this petition. Additionally, NERC requests approval of Reliability Standard EOP-001-2b, to become effective on July 1, 2013, consistent with FERC's approval date of the EOP-001-2 Reliability Standard approved in FERC Order Nos. 748 and 749.

Gerald W. Cauley
President and Chief Executive Officer
3353 Peachtree Road N.E.
Suite 600, North Tower
Atlanta, GA 30326-1001
David N. Cook
Senior Vice President and General Counsel
North American Electric Reliability
Corporation
1120 G Street N.W., Suite 990
Washington, D.C. 20005-3801
david.cook@nerc.net

Respectfully submitted,

/s/ Andrew M. Dressel
Holly A. Hawkins
Assistant General Counsel for Standards
and Critical Infrastructure Protection
Andrew M. Dressel
Attorney
North American Electric Reliability
Corporation
1120 G Street, N.W.
Suite 990
Washington, D.C. 20005-3801
(202) 393-3998
(202) 393-3955 – facsimile
holly.hawkins@nerc.net
andrew.dressel@nerc.net

EXHIBITS A - I

(Available on the NERC Website at
http://www.nerc.com/fileUploads/File/Filings/Attachments_Interp_EOP-001.pdf)