

October 31, 2012

VIA ELECTRONIC FILING

Ms. Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, D.C. 20426

**Re: Analysis of NERC Standard Process Results, Third Quarter 2012
Docket Nos. RR06-1-000
RR09-7-000**

Dear Ms. Bose:

The North American Electric Reliability Corporation (“NERC”) hereby submits its Analysis of NERC Standards Process Results for the Third Quarter 2012 (“Ballot Results Analysis”). This filing is submitted in response to the Federal Energy Regulatory Commission’s (“FERC” or the “Commission”) January 18, 2007 Order¹ requiring NERC to closely monitor and report the voting results for NERC Reliability Standards each quarter for three years and the Commission’s subsequent order issued on September 16, 2010, whereby the Commission renewed and expanded on its directive for an additional three years.²

The Ballot Results Analysis is attached hereto and addresses ballot results during the July 1, 2012 through September 30, 2012 timeframe, and includes NERC’s analysis of the voting results, including trends and patterns of stakeholder approval of NERC Reliability Standards. NERC requests that the Commission accept this compliance filing in accordance with the directive in the September 16, 2010 Order to submit quarterly reports for an additional three years from the date of the order.

Respectfully submitted,

/s/ Stacey Tyrewala

Stacey Tyrewala

*Attorney for North American Electric Reliability
Corporation*

cc: Official service list in Docket No. RR06-1-000; RR09-7-000

¹ Order on Compliance Filing, 118 FERC ¶ 61,030 at P 18 (2007).

² Order on the Electric Reliability Organization’s Three-Year Performance Assessment, 132 FERC ¶ 61,217 at P 85 (2010).

NERC

NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

Analysis of NERC Standards Process Results

Third Quarter 2012

October 31, 2012

RELIABILITY | ACCOUNTABILITY



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Introduction

Background: NERC's Processes for Developing Standards

NERC develops Reliability Standards in accordance with Section 300 of its Rules of Procedure and the NERC *Standard Processes Manual*, which is included as Appendix 3A to the NERC Rules of Procedure.¹ The current *Standard Processes Manual* (“SPM”) was approved by the Federal Energy Regulatory Commission (“FERC” or the “Commission”) in September 2010² and amended in August 2011.³ NERC is initiating changes to its standard development processes, and is using the experience gained through implementing the SPM and earlier versions of NERC’s standard development processes to foster the success of any such changes.

Many of the standards projects currently in development either were initiated under the predecessor processes and continued under the SPM, or were initiated under the SPM but have not yet been completed.

This quarter, to fit the changing needs of the Electric Reliability Organization (“ERO”), NERC has realigned its management team, including standards management. In the third quarter, NERC announced the appointment of Mark Lauby as Vice President and Director of Standards. Mr. Lauby will focus on enhancing the overall standards development process and governance in a continuing effort to ensure that standards development is effective and efficient and delivers high-quality, timely standards.

This Report

This report is responsive to directives from FERC directing NERC to monitor, analyze and report on the results of its standards development processes.⁴

At the end of each calendar quarter, NERC updates this report by incorporating results from the most recent calendar quarter, to monitor and report progress on improvements to various aspects of the standards development process. The first section of this report provides an overview and analysis of ballots conducted during the third quarter of 2012. The second section compares timelines for the projects balloted in the third quarter of 2012 against

¹ NERC’s Rules of Procedure are available at: <http://www.nerc.com/page.php?cid=1|8|169>.

² *Order Approving Petition and Directing Compliance Filing*, 132 FERC ¶ 61,200 (2010).

³ *Letter Order Approving Standard Processes Compliance Filing* (August 25, 2011).

⁴ See *Order on Compliance Filing*, 118 FERC ¶ 61,030 (2007). See also, *Order on the Electric Reliability Organization’s Three-Year Performance Assessment*, 132 FERC ¶ 61,217 at P 85 (September 16, 2010) (“Three-Year Assessment Order”). Specifically, the Three-Year Assessment Order directed NERC to analyze:

- (i) the time required to complete projects (excluding urgent action projects);
- (ii) the time required to complete projects initiated in response to NERC’s urgent action progress (including whether or not a permanent fix was implemented within the sunset period); and
- (iii) the time required to complete projects in response to Commission directives. The analysis should include data on the time required for each stage of the process. For example, the analysis should document the time required to move a proposed Reliability Standard from a Standards Authorization Request to the NERC Board, and then to the Commission.

baselines provided in the report filed on January 31, 2011, based on the time required to complete each phase of standards development. The comparison to the historical baselines is responsive to the Commission's directive to analyze the time required to complete each phase of the standards development process. NERC staff and the Standards Committee use this analysis to monitor successes and to identify opportunities for improvements.

Analysis of Q3 2012 Standards Ballot Results

From July 1, 2012 through September 30, 2012, NERC conducted ballots of 10 standards, three definitions, and one interpretation. Table 1 summarizes these ballot events. A complete record for each project is available on NERC's website on the Ballot Results webpage.⁵

Table 1

Project Type ⁶	Project Number & Name	Q2 Ballot Events	Status
New	2007-02 Operating Personnel Communications Protocols	Successive ballot and non-binding poll of one standard	Ongoing
New (one standard)/Revision (one standard)	2007-06 System Protection Coordination	Initial ballot and non-binding poll of one standard with conforming changes to second standard	Ongoing
Revision	2006-06 Reliability Coordination	Successive and recirculation ballots of one standard and recirculation ballots of two additional standards	IRO-001-3 adopted by NERC BOT 08/2012 and pending regulatory filing; COM-001-2 and COM-002-3 pending BOT action
Revision	2007-17 Protection System Maintenance & Testing	Successive ballot of one standard	Ongoing
Revision	2009-01 Disturbance and Sabotage Reporting	Successive ballot and non-binding poll of one standard	Ongoing
Revision	2010-INT-01 Rapid Revision of TOP-006-2	Initial and recirculation ballots of one standard	Pending BOT action

⁵ The Ballot Results webpage is available at: <https://standards.nerc.net/Ballots.aspx>.

⁶ Appendix A to this report provides a brief description of each type of standards project.

Project Type ⁶	Project Number & Name	Q2 Ballot Events	Status
Revision	2011-INT-02 Rapid Revision of VAR-002	Recirculation ballot of one standard	Adopted by NERC BOT 08/2012; pending regulatory filing
Revision	2012-08.1 Phase 1 of Glossary Updates	Initial ballot of revisions of three definitions	Ongoing
Revision	2010-05.1 Protection System: Phase 1 (Misoperations)	Initial ballot and non-binding poll of one standard	Ongoing
Interpretation	2009-19 Interpretation of BAL-002-0 R4 and R5	Successive ballot of one interpretation	Ongoing

Seven projects balloted during the third quarter of 2012 were ongoing at the end of the quarter. Three projects (encompassing five standards) include standards that have completed recirculation ballot and are either pending Board of Trustees (“BOT”) approval or pending regulatory filing. The two standards that were adopted by the BOT in August 2012 and are pending regulatory filing are VAR-002-1.1b (developed under Project 2011-INT-02) and IRO-001-3 (developed under Project 2006-06). The three standards balloted during the third quarter 2012 that have completed recirculation ballot and are pending BOT approval are COM-001-2 and COM-002-3 (developed under Project 2006-06) and TOP-006-2 (developed under Project 2010-INT-01). The 10 projects are summarized above in Table 1, and additional details are provided below. For each project involving multiple standards, separate ballots were conducted for each standard. NERC has adopted the practice of balloting each standard individually because this approach provides drafting teams with more specific information about which standards require additional development work to reach consensus.

Ballots were conducted in the third quarter of 2012 for the following projects:

- Project 2006-06 Reliability Coordination:** The purpose of this project is to revise several standards, including COM-001-2, COM-002-3 and IRO-001-3, to ensure that the reliability-related requirements applicable to the Reliability Coordinator are clear, measurable, and enforceable, and to ensure that this set of requirements is sufficient to maintain reliability of the Bulk Electric System. Both a successive ballot and recirculation ballot for COM-001-2 were conducted in the third quarter of 2012. The successive ballot received a high quorum and a weighted segment approval of more than 70 percent. COM-001-2 passed upon recirculation with a quorum of over 80 percent and weighted segment approval of 75 percent. A recirculation ballot was also

conducted for COM-002-3 earlier in the third quarter, and the standard also passed with a high quorum and weighted segment approval of more than 80 percent. Both COM-001-2 and COM-002-3 will be presented to the NERC BOT for adoption in November 2012. A recirculation ballot was also conducted for IRO-001-3, and the standard passed with a high quorum and weighted segment approval of more than 80 percent. IRO-001-3 was adopted by the NERC BOT in August 2012 and will be filed with FERC.

- **Project 2007-02 Operating Personnel Communications Protocols:** This project proposes to remove Requirement R4 from COM-001-1 and Requirement R2 from COM-002-3 for inclusion in a new standard, COM-003-1, to address part of Blackout Recommendation No. 26 and issues in FERC Order 693. A successive ballot of COM-003-1 achieved a high quorum of over 77 percent; the weighted segment approval was over 50 percent. Work to revise the standard in response to stakeholder comments is ongoing and COM-003-1 will proceed to a second successive ballot in the fourth quarter of 2012.
- **Project 2007-06 System Protection Coordination:** PRC-027-1 is a results-based standard to coordinate Protection Systems utilized to protect Interconnected Facilities, such that those Protection Systems remove from service only those Elements required to isolate Faults, while meeting the System performance specified within requirements established in other approved NERC Reliability Standards. This standard incorporates and enhances the coordination aspects of Requirements R3 and R4 from PRC-001-1 (now R2 and R3 of PRC-001-2). An initial ballot of PRC-027-1 received a high quorum of 84 percent and weighted segment of approval of 23 percent. Work to revise the standard in response to stakeholder feedback provided during the formal comment period and initial ballot is ongoing.
- **Project 2007-17 Protection System Maintenance and Testing:** This project merges requirements from four protection system maintenance standards into a single standard, PRC-005-2. A successive ballot of PRC-005-2 concluded on August 27, 2012. The standard achieved a high quorum of 78 percent and ballot approval of approximately 80 percent. A recirculation ballot of PRC-005-2 will be conducted in the fourth quarter 2012.
- **Project 2009-01 Disturbance and Sabotage Reporting:** This project consolidates requirements from CIP-001-2a Sabotage Reporting and EOP-004-1 Disturbance Reporting into a single standard, EOP-004-2. A successive ballot of the standard achieved a high quorum of over 77 percent and weighted segment approval of over 63 percent. Work to revise the standard in response to stakeholder feedback is expected to be completed early in the fourth quarter. Depending on the nature of changes needed to be responsive to stakeholder comments, either a successive ballot or a recirculation ballot will be conducted in the fourth quarter.
- **Project 2009-19 Interpretation of BAL-002-0 Requirements R4 and R5:** This project clarifies the obligations of Balancing Authorities and Reserve Sharing Groups under certain conditions. An initial ballot of the interpretation was conducted in early 2010, but work on the interpretation was curtailed when the Standards Committee supported NERC staff's assessment that an interpretation could not be drafted that conformed to the guidance to interpretation drafting teams that an interpretation rely strictly on the Requirements of the standard. In May of 2012 the NERC BOT provided additional guidance for interpretations, indicating that interpretation drafting teams need not be

limited to the language of the requirements in the standard in preparing an interpretation. After receiving this guidance, the project was reactivated. A successive ballot was concluded on September 4, 2012. The interpretation achieved a high quorum of over 79 percent and a weighted segment approval of over 87 percent. Work to revise the interpretation in response to stakeholder feedback has been completed and a recirculation ballot was initiated on September 28, 2012.

- **Project 2010-INT-01 Rapid Revision of TOP-006-2:** Florida Municipal Power Pool (“FMPP”) requested an interpretation of TOP-006-2 to clarify two aspects of the standard. The first clarification concerns which functional entity is required to perform which aspects of Requirement R1, part 1.2, and the second clarification concerns Requirement R3 and which relays an entity must provide information about to its operating personnel. Although initially received as a request for interpretation, the Standards Committee authorized the Real-time Operations standard drafting team to address FMPP’s request through revision of the TOP-006-2 standard. The SAR and initial draft were developed and posted in parallel. Both an initial ballot and a recirculation ballot of the new TOP-006-3 standard were conducted in the third quarter of 2012. The initial ballot concluded on July 30, 2012 and achieved high quorum and weighted segment approval of over 79 percent. The recirculation ballot concluded on September 21, 2012 with a quorum of over 85 percent and weighted segment approval of over 87 percent. TOP-006-3 will be presented to the NERC BOT in November 2012.
- **Project 2010-05.1 Protection Systems: Phase 1 (Misoperations):** A key element for Bulk Electric System reliability is the correct performance of Protection Systems. But because FERC has not approved PRC-003-0 or PRC-003-1 Regional Procedure for Analysis of Misoperations of Transmission and Generation Protection Systems, there is not a mandatory requirement for Regional procedures to support the requirements of PRC-004-2a – a potential reliability gap. Thus, PRC-004-3 combines the reliability intent of the two legacy standards PRC-003-1 and PRC-004-2a. This was a pilot project to test a different approach to developing a standard; the SAR and the initial draft were developed outside of the formal standard development process and posted together for a formal stakeholder comment period while a drafting team was formed to address stakeholder feedback. An initial ballot concluded on September 7, 2012, achieving a high quorum of over 86 percent and weighted segment approval of just under 38 percent. Work to revise the standard is ongoing and a successive ballot is anticipated during the fourth quarter.
- **Project 2011-INT-02 Rapid Revision of VAR-002 in Response to Constellation Power Generation Request for Interpretation:** This project was a revision to one standard to address an issue concerning notifications a Generator Operator must make to its Transmission Operator during start-up and shut-down, identified in a request for interpretation. The Standards Committee authorized addressing the requested clarification through a narrow revision to the standard. The recirculation ballot achieved high quorum of over 90 percent and weighted segment approval of over 69 percent. It was adopted by the NERC BOT in August 2012 and will be filed with FERC in the fourth quarter of 2012.
- **Project 2012-08.1 Phase 1 of Glossary Updates:** The proposed definitions for Bulk Power System, Reliability Standard and Reliable Operation are identical to the

definitions approved by the Commission in their January 31, 2012 Order Approving Amendments to Rules of Procedure⁷. This project was initiated to be responsive to the Commission's directives from Paragraph 1894 of Order 693⁸ that these definitions be added to the NERC Glossary of Terms. Approval of the proposed definitions for Bulk Power System, Reliability Standard and Reliable Operation also ensures that both the NERC Glossary of Terms used in Reliability Standards and the NERC Rules of Procedure contain consistent definitions for these terms. According to the NERC Standard Processes Manual, adding definitions to the NERC Glossary of Terms requires that the definitions be balloted using the same process as a standard. An initial ballot concluded on August 2, 2012 and received high quorum of over 83 percent and weighted segment approval of approximately 54 percent. NERC is reviewing stakeholder feedback to identify next steps for this project.

⁷ The Order is available at: http://www.nerc.com/files/ROP_Order_Cap_Project_20120131.pdf.

⁸ Order 693 is available at: http://www.nerc.com/docs/docs/ferc/order_693.pdf.

Q3 2012 Ballots and Comparison to Baseline Data

In the version of this report filed on January 31, 2011, NERC provided baselines for each phase of development for standards projects. These baselines were established by grouping all NERC standards projects from 2006 through 2010 into four categories (new standards, revisions to existing standards, expedited projects and interpretations) and then averaging the times for each phase of development within each group. Averages were developed by project without consideration to the number of standards associated with each project.

In this section of the report, NERC compares the projects balloted each quarter against these baselines to identify trends in the time required for various phases of standards development.

As noted above, during the third quarter of 2012, ballots were conducted for 10 standards projects. Two of the standards projects are developing a new standard: Project 2007-02 Operating Personnel Communications Protocols and Project 2007-06 System Protection Coordination (which includes one new standard, PRC-027-1, and a revision to PRC-001-3, but for the purposes of this report the project is being classified as a new standards project). Seven of the standards projects balloted this quarter are developing revisions to existing standards: Project 2006-06 Reliability Coordination, Project 2007-17 Protection System Maintenance and Testing, Project 2009-01 Disturbance and Sabotage Reporting, Project 2010-INT-01 Rapid Revision of TOP-006-2, Project 2011-INT-02 Rapid Revision of VAR-002, Project 2010-05.1 Protection Systems: Phase 1 (Misoperations), and Project 2012-08.1 Phase 1 of Glossary Updates (which deals with revisions to NERC Glossary terms, but for the purposes of this report it is being classified as a standard revision project). The tenth and final standards project balloted this quarter (Project 2009-19 Interpretation of BAL-002-0 R4 and R5) is developing an interpretation of an existing standard.

Chart 1 compares the development phases for each of the standards revision projects and the glossary update project balloted in the third quarter to the baseline of all such projects balloted between 2006 and 2010. Only standards projects balloted during the third quarter of 2012 are included in the chart. All standards that were filed with FERC for approval in the third quarter 2012 completed balloting and were approved by stakeholders in earlier quarters, and therefore are not included in this chart.

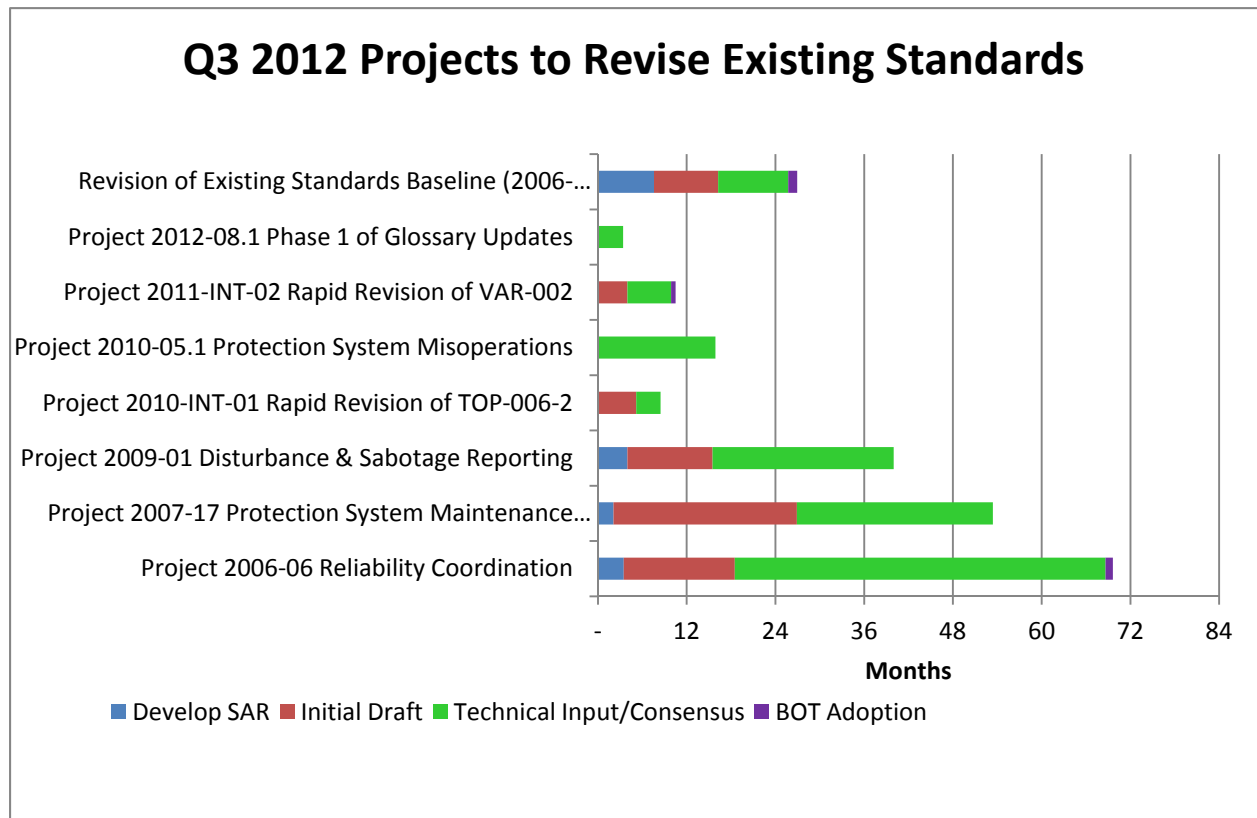


Chart 1

Chart 2 compares the development phases of the two projects to develop new standards that were balloted in the third quarter against the baseline for all such projects balloted between 2006 and 2010.⁹

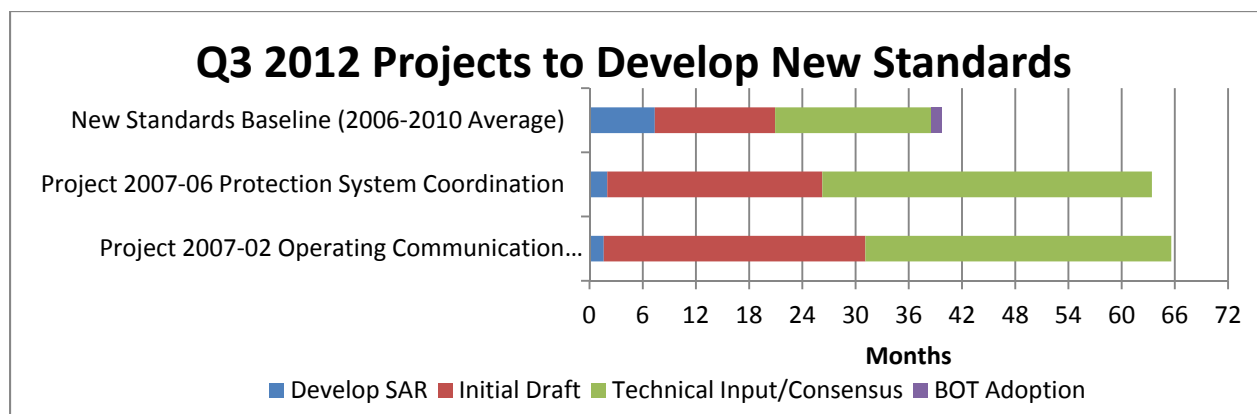


Chart 2¹⁰

⁹ Please note that in the second quarter 2012 report, the total duration for Project 2007-02 was listed incorrectly and this error has been corrected in the current version of Chart 2.

Chart 3 compares the development phases of the one interpretation project balloted in the third quarter to the baseline of all interpretations balloted between 2006 and 2010. All interpretations that were filed with FERC for approval in the third quarter 2012 completed balloting and were approved by stakeholders in earlier quarters, and therefore are not included in this chart.

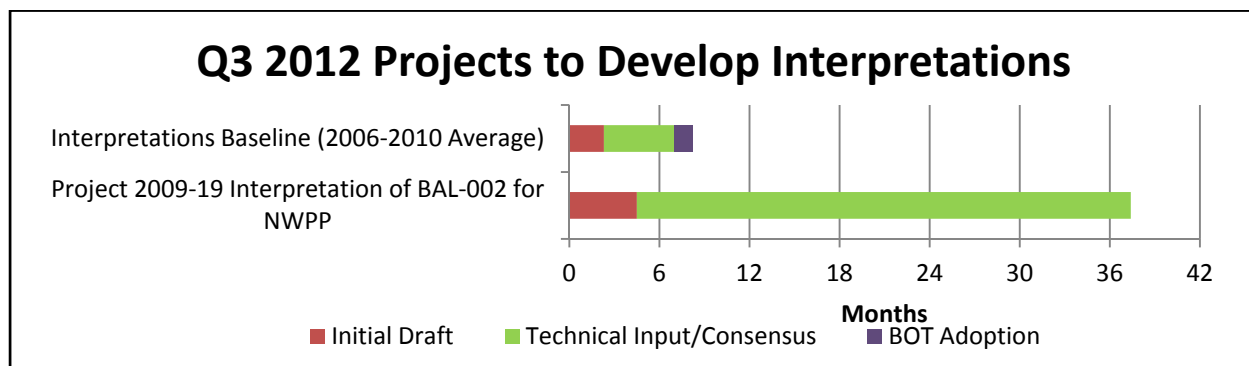


Chart 3

SAR Development Phase. For all of the standards projects balloted in the third quarter of 2012, the SAR was finalized quickly after being posted for industry review. From 2006 to 2010, SAR development times averaged eight months for a project to revise one or more existing standards, and slightly less for projects to develop one or more new standards. Four projects that were balloted in the third quarter show SAR development phases of zero duration. In all four cases, the SAR and standards products were developed and posted simultaneously, rather than sequentially, as is the case with most standards development projects. Two of the four projects began as requests for interpretation and were developed as revisions to the standard (Project 2010-INT-01 and Project 2011-INT-02). One project (Project 2010-05.1 Protection System Misoperations) began as a pilot project to test whether a small team of experts could draft the standard and submit the standard and SAR together to initiate formal standard development. The fourth, Project 2012-08.1, is a project to incorporate definitions included in the NERC Rules of Procedure into the NERC Glossary of Terms.

The SAR development periods for all of the other standards projects balloted during the third quarter of 2012 were five months or less, a significant improvement from the baseline. The trend toward shorter SAR development phases is expected to continue in the future, since consensus on the scope of a project, as well as much of the technical analysis, is expected to be completed prior to the initiation of work on the project.

Initial Draft Phase. Many of the projects balloted in the third quarter of 2012 required a longer period of time to develop an initial draft than the baseline for the comparable type of project.

¹⁰ In the report filed with FERC on July 31, 2012, NERC erroneously allocated the time between the initial draft phase and technical input/consensus phase of Project 2007-02, making it seem that the initial draft phase was shorter and the technical input phase longer. This chart provides the correct information for both phases.

Three of the seven standards revision projects (Project 2006-06, Project 2007-17, and Project 2009-01) and both projects to develop new standards (Project 2007-02 and Project 2007-06) required about a year or longer to develop an initial draft, more than the baseline of about nine months. Similarly, the development of an initial draft for the interpretation under Project 2009-19 took four and a half months, longer than the baseline of just over two months to develop the initial draft of an interpretation. However, two of the standards revision projects (Project 2011-INT-02 and Project 2010-INT-01, which are newer and began in 2010 or later), required four months or fewer for development of an initial draft – well under the baseline timeline of nine months to develop an initial draft. Two of the project, Project 2012-08.1 and Project 2010-05.1, were able to proceed directly to the technical input phase and did not include an initial draft phase. Because the SPM now requires a more exhaustive technical analysis to be conducted prior to initiating standard drafting, new drafting teams are in a better position to develop a first draft of a standard quickly.

Technical Input Phase. Drafting teams seek technical input from the industry through the formal and informal posting periods. Between each posting, the drafting team reviews the feedback received from stakeholders and makes revisions to the standard or standards. For a formal posting, drafting teams are also required to respond to each stakeholder comment. Thus, the technical input phase includes periods of time when standards and associated documents are posted for industry review – typically either for 30 or 45 days – alternating with periods of time during which the drafting team is reviewing the input provided, revising the standards and associated documents, and preparing both individual and summary responses to the comments received. The technical input phase is essentially a highly-organized dialogue between the drafting team and other industry stakeholders.

Three projects, Project 2006-06, Project 2010-INT-01, and Project 2011-INT-02, completed their technical input phase in the third quarter of 2012 and the standards in those projects are either awaiting BOT approval or pending regulatory filing. For the remaining seven projects, including four standard revisions, two new standards, and one interpretation, the technical input phase will continue in the fourth quarter.

The average 2006-2010 baseline for the technical input phase was nine and a half months for revision projects. The average length of the technical input phase for the projects balloted in the third quarter was about 22 months; however, many of the projects in the 2006-2010 baseline were addressing a single standard, while all but one of the projects balloted in the third quarter of 2012 involve multiple standards (either revisions to multiple standards or consolidation of multiple standards into a single standard). See Chart 1. The two rapid revision projects addressing a single standard, Project 2010-INT-01 and Project 2011-INT-02, required less than the baseline to reach consensus based on technical input, presumably because the revisions to the standard were narrow, focused, and addressed a topic for which technical consensus had previously been reached.

NERC continues to pursue opportunities to improve its standards process without sacrificing the technical excellence that can only result by conducting a thorough technical input phase. Software improvements that will be implemented in 2013 are expected to enhance the

transparency and efficiency of consensus building. NERC anticipates that as these changes are implemented, the length of the technical input phase will begin to decrease.

Board of Trustee Adoption. The period of time between ballot pool approval of a standard and BOT adoption of the standard varies, in part because the board has a fixed schedule of face-to-face meetings (supplemented as needed, to ensure prompt action when necessary to meet ERO obligations). In the third quarter of 2012, one standard and one interpretation were presented to the BOT for adoption. Both completed balloting and were approved by stakeholders in the third quarter of 2012. The time between stakeholder approval and BOT adoption was less than one month for both the standard and the interpretation, an improvement upon the baseline period for BOT adoption of just over one month.

Filing with Regulatory Authorities. During the third quarter of 2012, four filings to FERC were made for standards projects that required BOT approval.

- On July 30, 2012, a Petition for Approval of Proposed Reliability Standards FAC-001-1, FAC-003-3, PRC-004-2.1a, and PRC-005-1.1b was submitted in Docket No. RM12-16-000.
- On August 1, 2012, a Petition for Approval of an Interpretation to Reliability Standard CIP-002-4 - Critical Cyber Asset Identification was submitted in Docket No. RD12-5-000.
- On August 1, 2012, a Petition for Approval of an Interpretation to Reliability Standard CIP-004-4 – Personnel and Training was submitted in Docket No. RD12-6-000.
- On August 24, 2012, a Petition for Approval of Proposed Reliability Standard MOD-028-2 – Area Interchange Methodology was submitted in Docket No. RM12-19-000.

Conclusion

NERC recognizes that significant changes are needed to reform the standards program to achieve an endstate that is defined by a set of high quality standards that are created using the technical expertise of industry and that support the reliability of the Bulk Power System.

NERC staff has recently made substantial organizational changes to support standards development in recognition of these challenges. NERC will be working with key stakeholder groups to implement other changes, including changes to the makeup of drafting teams to focus on expert technical input, governance of the standards process to clarify and improve accountability to ERO reliability priorities, and clarification of roles and responsibilities of participants. NERC, the Regional Entities and industry stakeholders have a significant mutual investment in developing a sustainable Reliability Standards program that will maintain the reliability of the bulk power system in North America.

Appendix A

Types of Standards Projects

For the purpose of analyzing results of its standards processes, NERC has identified four broad categories of standards projects.

The first category of projects is **Revisions to Existing Standards**. Revisions to existing standards are a significant and an ongoing part of NERC's standards development work, as NERC and industry work to address regulatory directives from FERC, modify standards to address changing technologies and operating conditions, and review standards in compliance with the five-year interval required to maintain ANSI accreditation. Between 2006 and 2010, the average time to complete revisions to existing standards was 30 months.

The second category is **New Standards**. There have been, and will continue to be, occasions where an entirely new standard or group of standards may be needed to address bulk power system reliability. The data collected from 2006 through 2010 show that these projects take longer, on average, than projects to revise existing standards. Between 2006 and 2010, the average time to complete projects to draft new standards was 42 months.

The third category is **Urgent Action/Expedited Projects**.¹¹ Urgent Action or Expedited Projects are shortened by reducing the time for certain process steps, or by allowing steps that would normally proceed serially to be conducted in parallel. By definition, these projects are expected to have a shorter development time, on average, than most standards projects. On average, the development time for Urgent Action and Expedited Projects from 2006 through 2010 was a little more than 7 months.

The final category is **Interpretations**. Entities that must comply with a reliability standard have the right to request a formal interpretation of a requirement included in a standard. Interpretation projects generally are narrower in scope than other standards projects, but like standards, interpretations are drafted by a drafting team and posted for industry review and ballot. From 2006 to 2010, NERC received a number of requests for interpretation that were absorbed into other projects because drafting teams could not prepare the interpretations without expanding the requirements of the approved standard. For those interpretation requests that were processed, the average time to complete interpretations and file them with regulatory authorities was about 10 months.

¹¹ Prior to September 2010, the NERC *Reliability Standards Development Procedure* incorporated a process used for developing a standard more quickly than the normal standard development process, which was referred to as the Urgent Action Process. FERC's approval of the *Standard Processes Manual* in September 2010 replaced the Urgent Action process with the Expedited Standards Development Process.