NERC
NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION

April 25, 2013

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, First Quarter 2013
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 First Quarter 2013 ("Ballot Results Analysis"). This filing is submitted in response to the Federal Energy Regulatory Commission's ("FERC" or the "Commission") January 18, 2007 Order[1] 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 January 1, 2013 through March 31, 2013 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

Senior Counsel 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).

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Analysis of NERC Standards Process Results

First Quarter 2013

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* ("SPM"), which is included as Appendix 3A to the NERC Rules of Procedure.[1] The current SPM was approved by the Federal Energy Regulatory Commission ("FERC" or the "Commission") in September 2010[2] and amended in August 2011.[3]

NERC is using the experience gained through implementing the current and past versions of the SPM to foster the success of future changes. However, 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 Report

This report is responsive to directives from FERC directing NERC to monitor, analyze, and report on the results of its standards development process.[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 first quarter of 2013. The second section compares timelines for the projects balloted in the first quarter of 2013 against 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.

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[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 ¶ 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 (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.

Analysis of Q1 2013 Standards Ballot Results

From January 1, 2013 through March 31, 2013, NERC conducted ballots for twelve projects encompassing eight standards, four interpretations, revisions to the Standard Processes Manual, revisions to the NERC glossary to include three statutory definitions, and one project (Paragraph 81) that proposed the retirement of 34 requirements in 19 standards. In addition, NERC conducted five non-binding polls of Violation Risk Factors (VRFs) and Violation Severity Levels (VSLs).

Of the twelve projects with ballots conducted in the first quarter of 2013, five projects were adopted by the Board of Trustees in February 2013. Three of these projects (encompassing five standards, the Paragraph 81 project, and revisions to the Standard Processes Manual) were filed and are pending regulatory approval. The other two projects, which include two interpretations, are pending regulatory filing.

One project, encompassing a single standard, (PRC-024-1 developed under Project 2007-09) completed the recirculation ballot in March 2013 and is currently pending Board adoption. The other four standards in this project completed a recirculation ballot last quarter.

Six projects (including three standards, the glossary updates, and two interpretations) were ongoing at the end of the first quarter of 2013.

Table 1 summarizes these ballot events. A complete record for each project is available on NERC's website on the Ballot Results webpage.[5]

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

Table 1

Project Type[6]	Project Number & Name	Q1 Ballot Events	Standard(s) Balloted	Status	Ballot Results
New	Project 2010-14 .1 Phase 1 of Balancing Authority Reliability-based Controls: Reserves	Initial Ballot and Non-Binding Poll	BAL-012-1	Ongoing	Quorum: 83.94% Approval: 21.80%
New	Project 2010-13.2 — Phase 2 of Relay Loadability: Generation	Initial Ballot and Non-binding Poll	PRC-025	Ongoing	Quorum: 76.36% Approval: 54.65%
New	Project 2007-09 — Generator Verification	#3: Recirculation Ballot	PRC-024-1	Pending BOT Approval	Recirculation Ballot #3 Results: Quorum: 81.33% Approval: 89.44%
		#2: Successive and Non-binding Poll			Successive Ballot #2 Results: Quorum: 78.80% Approval: 89.01%
		#1: Successive Ballot and Non-Binding Poll			Successive Ballot #1 Results: Quorum: 78.16% Approval: 60.31%
Revision	Project 2010-05.1 — Protection Systems: Phase 1	Successive Ballot and Non-binding	PRC-004-3	Ongoing	Quorum: 77.62% Approval: 50.66%

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

Project Type[6]	Project Number & Name	Q1 Ballot Events	Standard(s) Balloted	Status	Ballot Results
	(Misoperations)				
Revision	Project 2010-11 TPL Table 1 Order[7]	Recirculation Ballot	TPL-001-3, TPL-001-4, TPL-002-2b, TPL-003-a, TPL-004-2	Adopted by NERC Board of Trustees February 7, 2013 and Filed	Quorum: 88.55% Approval: 69.63%
		Successive Ballot			Quorum: 85.47% Approval: 65.77%
Revision	Project 2012-08.1 — Phase 1 of Glossary Updates: Statutory Definitions	Successive Ballot		Ongoing	Quorum: 77.48% Approval: 84.27%
Revision	Project 2013-02 Paragraph 81	Recirculation Ballot	Standards with Proposed Retirements	Adopted by NERC Board of Trustees February 7, 2013 and Filed	Quorum: 84.60% Approval: 95.22%
Revision	Standard Processes Manual Revisions to Implement SPIG Recommendations	Recirculation Ballot		Adopted by NERC Board of Trustees February 7, 2013 and Filed	Quorum: 85.90% Approval: 85.57%
Interpretation	Interpretation 2012-INT-02	Recirculation Ballot	Interpretation of TPL-003-0a and TPL-004-0 for SPCS	Adopted by NERC Board of Trustees February 7, 2013	Quorum: 85.67% Approval:77.61%
Interpretation	Interpretation 2012-INT-04	Initial Ballot	Interpretation of CIP-007 for ITC	Ongoing	Quorum: 88.58% Approval: 97.18%

[7] This project balloted a revised footnote that was incorporated into five standard versions.

Project Type[6]	Project Number & Name	Q1 Ballot Events	Standard(s) Balloted	Status	Ballot Results
Interpretation	Interpretation 2012-INT-05	Recirculation Ballot	Interpretation of CIP 002-3 for OGE	Adopted by NERC Board of Trustees February 7, 2013	Quorum: 87.13% Approval: 99.09%
Interpretation	Interpretation 2012-INT-06	Initial Ballot	Interpretation of CIP-003 for Consumers Energy	Ongoing	Quorum: 88.52% Approval: 98.89%

Additional details for the twelve projects balloted in the first quarter of 2013 are provided below:

- **Project 2010-14.1 —Phase 1 of Balancing Authority Reliability-based Controls: Reserves BAL-001-2, BAL-002-3, and BAL-013-1:** The NERC Standards Committee approved the merger of Project 2007-05 Balancing Authority Controls and Project 2007-18 Reliability-based Control as Project 2010-14 Balancing Authority Reliability-based Controls on July 28, 2010. The NERC Standards Committee also approved the separation of Project 2010-14 Balancing Authority Reliability-based Controls into two phases and moved Phase 1 (Project 2010-14.1 Balancing Authority Reliability-based Controls - Reserves) into formal standards development on July 13, 2011. Project 2010-14.1 Phase 1 proposed revisions to BAL-001-0.1a Real Power Balancing Control Performance and BAL-002-1 Disturbance Control Performance. The project also initially proposed two new standards, BAL-012-1 Operating Reserve Policy and BAL-013-1 Large Loss of Load Performance. BAL-012-1 was posted for a 45-day formal comment period with an initial ballot and non-binding poll through January 14, 2013. The initial ballot did not achieve the required two-thirds industry approval. Based on industry comments received during this ballot period, the drafting team elected not to continue further development of the proposed BAL-012-1 standard. BAL-001-2, BAL-002-2, and BAL-013-1 will be balloted during the second quarter of 2013.
- **Project 2010-13.2 — Phase 2 of Relay Loadability: Generation — PRC-025:** In Order No. 733, the Commission directed NERC to address three areas of relay loadability that include modifications to the approved PRC-023-1, developing a new Reliability Standard to address generator protective relay loadability, and developing another Reliability Standard to address the operation of protective relays due to power swings. This project's SAR addresses these directives and establishes a three-phase approach to standard development.

Phase 1 was focused on making the specific modifications to PRC-023-1 and was completed in the approved PRC-023-2 Reliability Standard, which became enforceable on July 1, 2012. Phase 2, the current phase of the project, is focused on developing a new Reliability Standard, PRC-025-1 – Generator Relay Loadability, to address generator protective relay loadability. This Reliability Standard establishes requirements for the Generator Operator functional entity to set protective relays at a level such that generating units do not trip during system disturbances that are not damaging to the generator thereby unnecessarily removing the generator from service. Phase 3 will follow the completion of Phase 2, and will focus on developing requirements that address protective relay operations due to stable power swings.

- **Project 2007-09 — Generator Verification — PRC-024-1:** Project 2007-09 incorporates revisions to two existing standards (MOD-024-1 and MOD-025-1 were incorporated into the proposed MOD-025-2), and the development of four new standards (MOD-026-1, MOD-027-1, PRC-019-1, and PRC-024-1), in order to (1) ensure that generators will not trip off-line during specified voltage and frequency excursions or as a result of improper coordination between generator protective relays and generator voltage regulator controls and limit functions (such coordination will include the generating unit's capabilities); and (2) ensure that generator models accurately reflect the generator's capabilities and operating characteristics. All of the standards except PRC-024-1 were presented to the Board for adoption in February 2013. PRC-024-1 continued in development and was posted for additional successive ballots and non-binding polls, and a recirculation ballot in the first quarter of 2013.
- **Project 2010-05.1 — Protection Systems: Phase 1 (Misoperations) — PRC-004-3:** PRC-003-1 Regional Procedure for Analysis of Misoperations of Transmission and Generation Protection Systems required the Regions to establish procedures for analysis of Misoperations. In Commission Order No. 693, the Commission identified PRC-003-1 as a fill-in-the-blank standard and did not approve or remand the standard since the regional procedures had not been submitted. Because PRC-003-1 is not enforceable, there is not a mandatory requirement for Regional procedures to support the requirements of PRC-004-2a. To avoid a potential reliability gap, PRC-004-3 combines the reliability intent of the two legacy standards, PRC-003-1 and PRC-004-2a.
- **Project 2010-11 TPL Table 1 Order:** This project addresses a Commission Order,[8] which requires the Electric Reliability Organization (ERO) to clarify TPL-002-0, Table 1 — footnote 'b', regarding the planned or controlled interruption of electric supply where a single contingency occurs on a transmission system. The Standard Authorization Request (SAR) provided a revision to TPL Table 1 footnote 'b' to provide clarity to industry with regard to the planned or controlled interruption of electric supply where a single contingency occurs on a transmission system. The referenced table appears in

[8] *Transmission Planning Reliability Standards*, Order No. 762, 139 FERC ¶ 61,060 (2012), *order on reconsideration*, 140 FERC ¶ 61,101 (2012).

TPL-001, TPL-002, TPL-003, and TPL-004, so while the Commission Order was for TPL-002, the change is reflected in all four standards.

- **Project 2012-08.1 — Phase 1 of Glossary Updates: Statutory Definitions:** This phase of the project is modifying the NERC glossary to include three statutory definitions. In paragraph 1894 of Commission Order No. 693, the Commission directed the ERO to include the statutory definitions of the Bulk-Power System, Reliability Standard, and Reliable Operation in the NERC Glossary of Terms used in Reliability Standards:

  > *"1894. 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. However, this determination does not negate our discussion in the Applicability section of the Final Rule. While the glossary should be revised to include the statutory definition of Bulk-Power System, the Reliability Standards refer to the bulk electric system, which is also defined in the glossary."*

  Inclusion of the statutory definitions for Bulk-Power System, Reliability Standard, and Reliable Operation in the NERC Glossary of Terms used in Reliability Standards will address these outstanding Commission directives. The proposed definitions for Bulk-Power System, Reliability Standard, and Reliable Operation are nearly identical to the definitions found in Section 215 of the Federal Power Act, with slight modifications necessary to reflect NERC's international status as the ERO.

- **Project 2012-INT-02 Interpretation of TPL-003-0a and TPL-004-0 for SPCS:** This request for interpretation submitted by the System Protection and Control Subcommittee (SPCS) is one of three approaches aimed to address the Commission's concern about the study of the single point of failure in protection systems, documented in Order No. 754. The SPCS is seeking clarification in two areas in TPL-003-0a (Category C) and TPL-004-0 (Category D). The first regarding the comprehensive study of system performance relating to Table 1's Category C and D contingency of a "(stuck breaker or protection system failure)." Second, to what extent the description in the standards' Table 1, footnote (e) requires an entity to model a single point of failure of a protection system component that may prevent the correct operation of a protection system.

- **Project 2012-INT-04 — Interpretation of CIP-007 for ITC:** In May 2011, the Standards Committee appointed a standing CIP Interpretation Drafting Team (IDT) for the development of CIP Interpretations. A project team from the CIP IDT reviewed ITC's request for interpretation and developed this interpretation pursuant to the NERC Guidelines for IDTs. In its first question, ITC asked for clarification on whether each sub-requirement of CIP-007-3, Requirement R5 requires both "technical and procedural controls." In its second question, ITC asked for clarification on whether technical controls in CIP-007-3, Requirement R5.3 mean that each individual Cyber Asset within the Electronic Security Perimeter (ESP) has to automatically enforce each of the three sub-parts of R5.3.

- **Project 2012-INT-05 — Interpretation of CIP-002-3 for OGE:** OGE requested an interpretation of CIP-002-3 to clarify the applicability of CIP-002-3 to SmartGrid Advanced Meter Infrastructure remote connect/disconnect functionality. The IDT reviewed the request for interpretation and developed this interpretation pursuant to the NERC Guidelines for IDTs.

- **Project 2012-INT-06 Interpretation of CIP-003 for Consumers Energy:** In May 2011, the Standards Committee appointed a standing CIP Interpretation Drafting Team for the development of CIP Interpretations. A project team from the CIP Interpretation Drafting Team reviewed Consumers' request for an interpretation and developed this interpretation pursuant to the NERC Guidelines for IDTs. Consumers Energy requested clarification of Section 4.1 of CIP-003-3 Requirement R2 as to whether a registered entity can assign different CIP Senior Managers for different applicable functions.

- **Project 2013-02 Paragraph 81:** This project is responsive to Paragraph 81 of the Commission's March 15, 2012 Order issued on NERC's Find, Fix and Track process. The purpose of the project is to retire or modify FERC-approved Reliability Standard requirements that, as FERC noted, "*… provide little protection to the reliable operations of the BES…,*" are redundant or unnecessary, or whose retirement or modification could increase the efficiency of the ERO's compliance programs. The project identifies Reliability Standard requirements that clearly meet the criteria set forth in the SAR and do not require extensive technical research. Future standards projects will incorporate work on Reliability Standard requirements that need additional technical research before retirement or modification.

- **Standard Processes Manual Revisions to Implement SPIG Recommendations:** At its February 9, 2012 meeting, the NERC Board of Trustees (BOT) requested the assistance of the NERC Member Representatives Committee (MRC) to provide policy input, and a proposed framework, for specific improvements to the standards development process. The MRC Chair and Vice Chair invited several members of the MRC, two NERC BOT members, the NERC CEO, and the Standards Committee (SC) Chair – the group collectively known as the Standard Process Input Group (SPIG) – to join with them as participants in developing recommendations to improve the standards development process. Further detail on the SPIG recommendations is available in the posted SPIG report.

  These recommendations were presented to the BOT and approved on May 9, 2012. The SC was specifically charged with addressing SPIG Recommendations 1, 4, and 5. The SC has organized this effort by leveraging each of its subcommittees, the Process Subcommittee (SCPS) and the Communications and Planning Subcommittee (SCCPS), to work in parallel on developing proposed revisions and conducting outreach to industry stakeholders to ensure that all interested stakeholders have an opportunity to provide their input. The results were successful with industry input providing revisions for a more efficient Standard Processes Manual which has been filed with the appropriate regulatory authorities.

Q1 2013 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, during the first quarter of 2013, NERC conducted ballots of 12 projects encompassing eight standards, four interpretations, revisions to the Standard Processes Manual, revisions to the NERC glossary to include three statutory definitions, and one project that proposed the retirement of 34 requirements in 19 standards. Only standards and interpretations balloted during the first quarter of 2013 are included in the chart.

Chart 1 compares the development phases for each of the standards revision projects, including Project 2013-02, which proposed retirements to requirements in 19 standards.

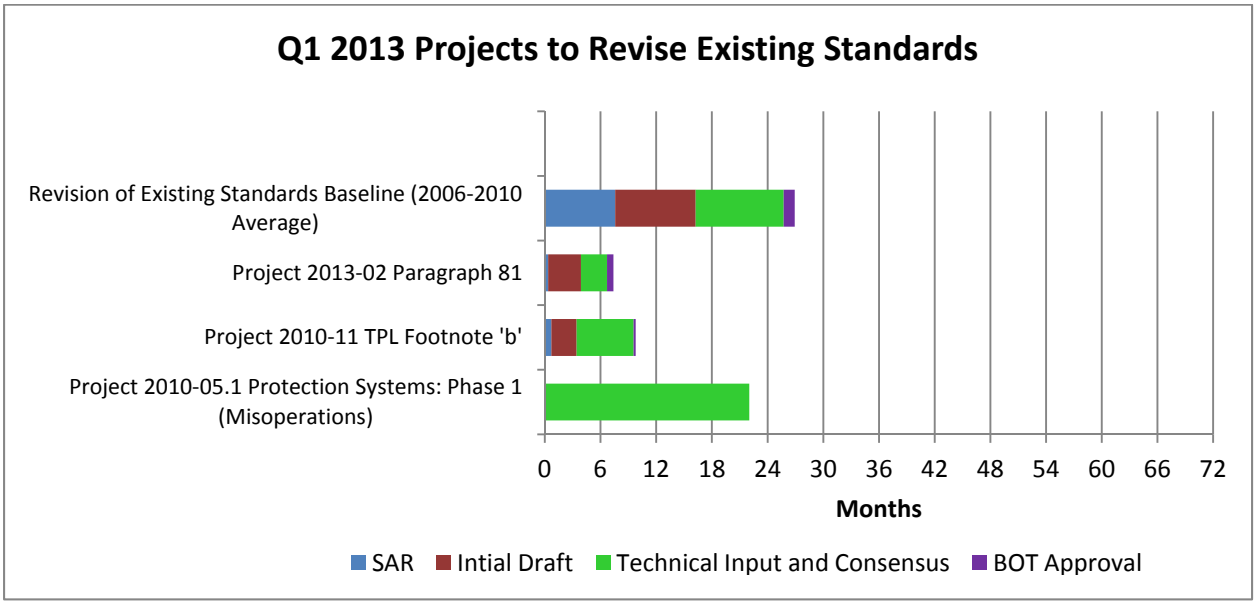

Chart 1

Chart 2 compares the phases of the three projects to develop new standards that were balloted in the first quarter against the baseline for all such projects balloted between 2006 and 2010.

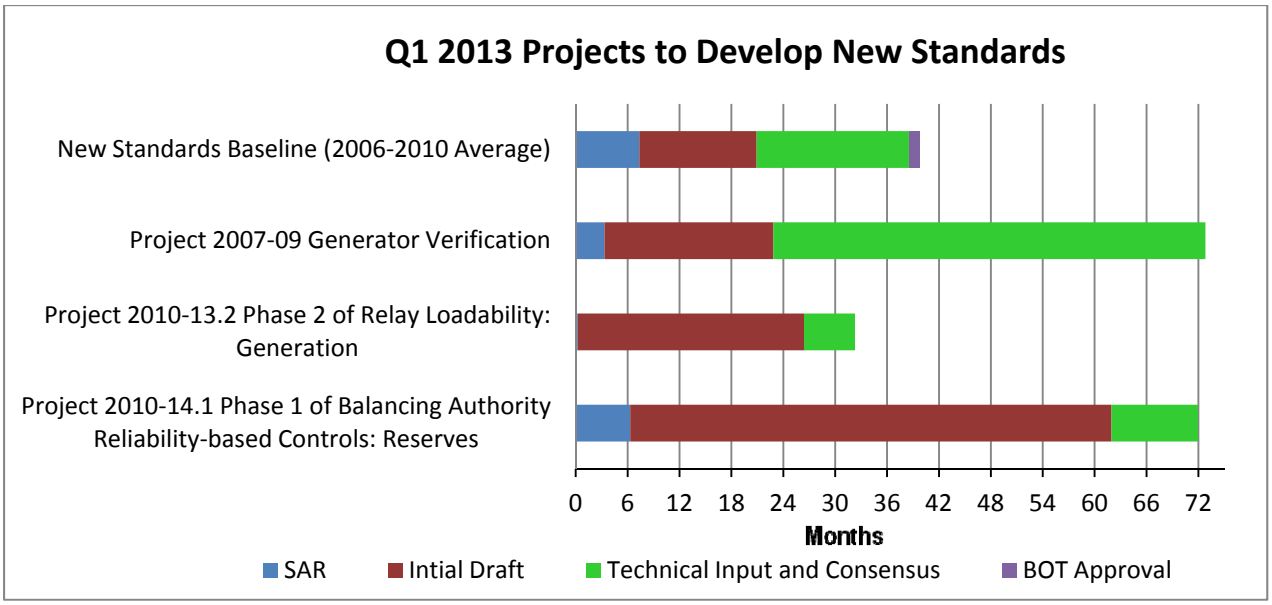

Chart 2

Chart 3 compares the development phases of the four interpretation projects balloted in the first quarter to the baseline of all interpretations balloted between 2006 and 2010.

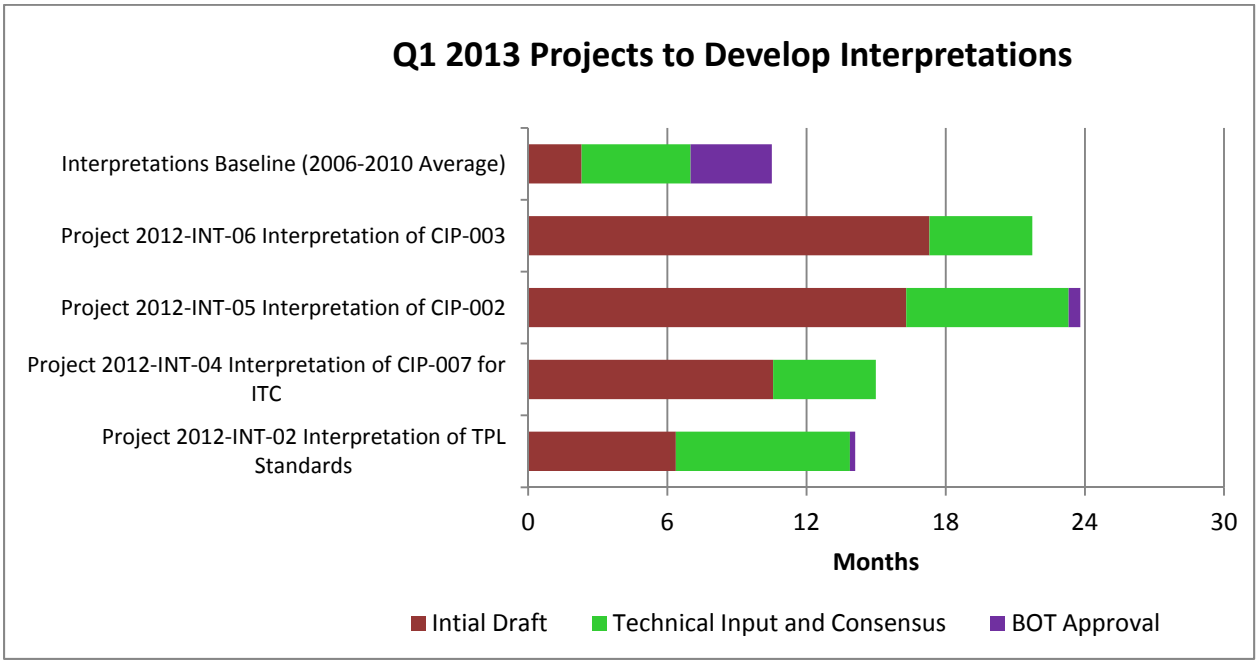

Chart 3

SAR Development Phase. The SAR Development phase measures the initial draft of the SAR to the SC acceptance of the posted SAR. For most projects balloted in the first quarter of 2013, the SAR development phase was completed in less than four months. In comparison, from 2006 to 2010, SAR development times averaged eight months for a project to revise one or more of the existing standards. Therefore, the SAR development period for projects balloted in the first quarter of 2013 decreased as a result of the efforts made to gain consensus prior to SAR development.

Initial Draft Phase. The initial draft development phase measures the acceptance of the SAR to the posting of the initial draft for comment.

The 2006-2010 baseline for the initial draft phase was just under nine months for revision projects, approximately 14 months for new standards projects, and slightly over two months for interpretations. All three revision projects were completed in less than four months in the initial draft phase during the first quarter of 2013. All other projects during this period took longer than the baseline to complete.

Overall, changes proposed to the drafting team makeup for 2013 and beyond should make the development of an initial draft more efficient; drafting teams will be smaller and more agile and may be in a better position to develop drafts quickly with the informal participation of other industry subject matter experts.

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(s). 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.

During the first quarter of 2013, five projects completed their technical input phase: Project 2007-09 Generator Verification, Project 2010-11 TPL footnote b, Project 2013-02 Paragraph 81, Project 2012-INT-02, and Project 2012-INT-05. Project 2007-09 is pending Board adoption, Project 2012-INT-02 and Project 2012-INT-05 were adopted by the Board and are pending regulatory filing, and Project 2010-11 and Project 2013-02 were adopted by the Board of Trustees and filed with the appropriate regulatory agency.

The 2006-2010 baseline for the technical input phase was nine-and-a-half months for revision projects, just under 18 months for new standard projects, and just under five months for interpretations. The technical input phases for Project 2013-02 Paragraph 81 and Project 2010-

11 TPL Footnote b each took less time to complete, while the technical input phase has taken longer for all other projects.

In 2013 and beyond, changes proposed to the Standard Processes Manual will reduce some of the burden on drafting teams during the technical input phase without eliminating the requirement to review and consider each industry comment. That change, combined with the increased focus on informal consensus building in early stages of the development process, will help reduce the time spent during the formal technical input process.

Board of Trustee Adoption. The baseline period between ballot pool approval of a standard and Board adoption of the standard is approximately five weeks. The period of time between ballot pool approval of a standard and Board adoption can vary based on the Board's fixed schedule of face-to-face meetings, but in the first quarter of 2013 all standards or interpretations projects that completed ballot pool approval were adopted by the Board in one month or less – a shorter time period than the baseline.

Filing with Regulatory Authorities. During the first quarter of 2013, nine filings to FERC were made for standards projects that required Board adoption.

- On January 31, 2013, a Petition for Approval of ten proposed Critical Infrastructure Protection Reliability Standards and the Approval of the proposed definitions of terms used in the proposed CIP Version 5, the associated implementation plan, and the proposed Violation Risk Factors and Violation Severity Levels. *Docket No. RM13-5-000*

- On February 12, 2013, a Petition for Approval of Interpretation to BAL-002-1 - Disturbance Control Performance was submitted. *Docket No. RM13-6-000*

- On February 15, 2013, a Supplemental Filing to NERC Compliance Filing in Response to the Order on Violation Severity Levels and Violation Risk Factors Proposed by the ERO was submitted. *Docket No. RD13-5-000*

- On February 25, 2013, a Petition for Approval of Proposed Reliability Standard VAR-001-3 – Voltage and Reactive Control (WECC Regional Variance) was submitted. *Docket No. RD13-6-000*

- On February 26, 2013, a Petition for Approval of Proposed Reliability Standard PRC-005-2 – Protection System Maintenance was submitted. *Docket No. RM13-7-000*

- On February 28, 2013, a Petition for Approval of Revisions to the NERC Standard Processes Manual was submitted. *Docket No. RR13-3-000*

- On February 28, 2013, a Petition for Approval of Retirement of Requirements in Reliability Standards (Paragraph 81) was submitted. *Docket No. RM13-8-000*

- On February 28, 2013, a Petition for Approval of Modified Transmission Planning Reliability Standards in the Case of System Performance Following Loss of a Single Bulk Electric System Element (TPL Table 1 Footnote b) was submitted. *Docket Nos. RM13-9-000 and RM12-1-000*

- On March 29, 2013, a Petition for Approval of Proposed Reliability Standard BAL-003-1 - Frequency Response and Frequency Bias Setting was submitted. *Docket No. RM13-11-000*

Conclusion

In the first quarter of 2013, NERC filed nine projects with the Commission and continues its work to bring all outstanding projects to a close, some of which have been in progress for several years.

In Project 2013-02 Paragraph 81 and Project 2010-11, NERC has demonstrated the importance of informal consensus building early in the development process, expert project management, and the collaboration of industry in providing clear, concise, and actionable feedback. Proposed changes to the Standard Processes Manual, which were approved by the Board on February 7, 2013 and filed with the Commission on February 28, 2013, promote informal consensus building and include other improvements to the standard development process.

NERC has started informal consensus building early in the process for many of the projects included in the 2013-2015 Reliability Standards Development Plan in an effort to improve the efficiency of the standard development process. NERC will continue to use proven tools of success to transform the ERO's body of standards into a world-class body of results-based standards.

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**.[9] 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.

[9] 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.