



NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

July 29, 2011

VIA ELECTRONIC FILING

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

**Re: NERC Analysis of NERC Standard Process Results Second Quarter 2011 in Docket
Nos. RR06-1-000, RR09-7-000**

Dear Ms. Bose:

The North American Electric Reliability Corporation (“NERC”) submits its Analysis of NERC Standards Process Results for the Second Quarter 2011 (“Ballot Results Filing”). This filing is submitted in response to the Federal Energy Regulatory Commission’s (“FERC”) January 18, 2007 Order¹ requiring NERC to closely monitor and report to FERC the voting results for NERC Reliability Standards each quarter for three years. In a subsequent order issued on September 16, 2010, the Commission renewed and expanded on its directive for an additional three years.² This is the third Ballot Results Filing in compliance with FERC’s September 16, 2010 directive.

The Ballot Results Analysis is included in this filing. The Ballot Results Filing addresses ballots conducted during the April 1, 2011 to June 30, 2011 time frame and includes NERC’s analysis of the voting results, including trends and patterns of stakeholder approval of NERC Reliability Standards. NERC requests that FERC accept this filing as compliant with the renewed 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/ Willie L. Phillips

Willie L. Phillips

*Attorney for North American Electric
Reliability Corporation*

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

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 (September 16, 2010).

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

NORTH AMERICAN ELECTRIC) Docket Nos. RR06-1-000, RR09-7-000
RELIABILITY CORPORATION)

**INFORMATIONAL REPORT OF THE NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION
ON ANALYSIS OF STANDARD PROCESS RESULTS
FOR THE SECOND QUARTER 2011**

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July 29, 2011

The NERC logo consists of the letters "NERC" in a bold, black, sans-serif font. A horizontal blue bar is positioned directly beneath the letters.

NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

Analysis of NERC Standards Process Results

Second Quarter 2011

to ensure
the reliability of the
bulk power system

July 29, 2011

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Introduction

Background: NERC's Revised 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* was approved by FERC in September 2010² and incorporates a number of process revisions intended to maintain the openness and inclusiveness of the standards development process, while improving efficiency and the quality of standards and interpretations. A summary of these revisions is included for convenience as Appendix A to this report.

To date, no project that has been initiated under the revised processes in the *Standard Processes Manual* has been completed. All projects discussed in this report and for which ballots were completed in the second quarter 2011 were initiated under the processes outlined in the *Reliability Standards Development Procedure Version 7* or a predecessor version of the Reliability Standards Development Procedure and have been or will be completed under the new *Standard Processes Manual*.

This Report

There are two purposes for producing this report. First, this report provides NERC, its Board of Trustees, committees, and industry stakeholders information to support future decisions concerning improvements to the standards development process. In addition, this report is responsive to directives from the Federal Energy Regulatory Commission (“FERC” or the “Commission”) requiring NERC to monitor, analyze and report on the results of its standards development processes.³

At the end of each calendar quarter, NERC will update 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 second quarter of 2011. The second section compares timelines for the projects balloted in the second quarter 2011 against baselines provided in the report filed on January 31, 2011 on the time 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 will use this analysis to monitor the success and identify opportunities for improvements.

¹ NERC’s Rules of Procedure are available at: <http://www.nerc.com/page.php?cid=118169>.

² *Order Approving Petition and Directing Compliance Filing*, 132 FERC ¶61,200 (September 3, 2010).

³ *See Order on Compliance Filing*, 118 FERC ¶61,030 (January 18, 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.

Analysis of Q2 2011 Standards Ballot Results

From April 1, 2011 through June 30, 2011, NERC conducted ballots for five separate standards projects. Table 1 summarizes these ballot events. A complete record for each project is available on NERC's website on the Ballot Results web page.⁴

Table 1

Project Type⁵	Project Number & Name	Q2 Ballot Events	Status
Revision	2006-02 Assess Transmission Future Needs	Initial Ballot of one Standard	Ongoing
Revision	2007-03 Real-time Transmission Operations	Initial Ballot of three Standards	Ongoing
Revision	2007-17 Protection System Maintenance and Testing	Successive and Recirculation Ballots of one Standard	Ongoing
Revision	2009-06 Facility Ratings	Initial and Recirculation Ballots of one Standard	Adopted by NERC BOT 5/2011 and filed with FERC 6/2011
Expedited	2010-15 Expedited Revisions to CIP-005-3	Successive Ballot of one Standard	Absorbed into Project 2008-06; Project 2010-15 curtailed

One project, Project 2009-06 Facility Ratings, modifying a single standard to address a regulatory directive with a deadline, was approved by its ballot pool, adopted by the NERC Board of Trustees, and filed with FERC.

Three projects that were balloted during the second quarter require additional work and are ongoing: Project 2006-02 Assess Transmission Future Needs; Project 2007-03 Real-time Transmission Operations; and Project 2007-17 Protection System Maintenance and Testing.

The first of these projects, Project 2006-02, achieved a very high quorum and approximately 74% weighted segment approval in its initial ballot. This is a complex project involving consolidation of six standards into a single standard that serves as the foundation standard for annual planning assessments.

⁴ The Ballot Results webpage is available at: <https://standards.nerc.net/Ballots.aspx>.

⁵ Appendix A to this report provides a brief description of each type of standards project.

Commenters identified a small number of non-substantive issues to be addressed before conducting a recirculation ballot.

The second project, Project 2007-03, is another complex project involving consolidation of nine standards into three standards. Consistent with the trend reported in both the fourth quarter 2010 and first quarter 2011 ballot report, this project formed a large ballot pool and the initial ballot achieved a high quorum. The initial ballot results of less than 50% weighted segment approval indicated that additional work is needed to revise the standards and reach consensus. When ballots are conducted that involve a single vote for a group of standards (as this ballot did), all of the standards may fail if even one of the standards has issues on which a consensus has not been reached.

Stakeholders have recommended that for complex projects such as Project 2007-03, involving the development of multiple standards, each standard be balloted separately. The advantage of this approach is that it may, in certain cases, allow some of the standards to be completed, approved by the associated ballot pool, and adopted by the NERC Board of Trustees in advance of other standards in the project. In the future when complex projects such as Project 2007-03 are ready to be balloted, NERC staff will work with the Standards Committee to consider, on a case-by-case basis, whether conducting separate ballots for each standard in the project may provide some benefit in terms of increased efficiency in the standards process.

The third project balloted in the second quarter for which work is ongoing is Project 2007-17. A successive ballot of a single standard resulted in a weighted segment approval rating of 67% - just above the required two-thirds weighted segment approval. After reviewing stakeholder comments submitted during the parallel comment and successive ballot period, the drafting team moved the standard, with minor revisions, to a recirculation ballot.

The weighted segment approval in the recirculation ballot dropped below 65% and the standard was not approved. The reduction in the approval rating from the successive ballot to the recirculation ballot is unusual, and may have resulted, in part, from ballot pool members who cast negative ballots in the successive ballot persuading other ballot pool members to change their position in the recirculation ballot. Another issue that may have impacted the overall approval is associated with recirculation ballots in general. In a recirculation ballot, votes are carried over from the previous ballot, and there is no way to ensure that ballot pool members who cast negative votes in the previous ballot have reviewed the drafting team response to their comments and considered whether to change the negative vote to an affirmative. In the case of PRC-005, the drafting team believed that its response to comments submitted during the successive ballot would convince some stakeholders to change their negative votes, leading to a higher weighted segment approval. In the future, staff and the Standards Committee will encourage drafting teams to conduct a webinar before conducting a recirculation ballot to provide a forum for stakeholder review of the standard before the recirculation ballot is conducted.

Under the processes in the *Standard Processes Manual*, when a recirculation ballot fails, the process is ended and any further work requires a new Standard Authorization Request (SAR). The Standards Committee and NERC staff have recommended that the drafting team for this project conduct a webinar to address the team's response to comments submitted during the balloting of the standard before posting the new SAR and revised standard again for initial ballot. A review of stakeholder comments

suggests that there are a very limited number of issues remaining for which industry support is not broad enough to achieve the required two-thirds weighted segment approval.

The final project that was balloted during the second quarter is an expedited project, Project 2010-15, addressing a single issue in a Critical Infrastructure Protection (CIP) standard. The CIP standards are being addressed as a group in Project 2008-06, but Project 2010-15 was initiated as an expedited project to address an issue that was perceived to be a reliability gap based on information shared by the Department of Homeland Security with the industry security community.

The approval rating in the successive ballot was quite low, and was less than the initial ballot. The low approval and lack of consensus suggested that considerable additional development work was required. This effectively changed the project from an expedited project to a project of normal length, which diminished the value of pursuing the project separately from the larger project addressing the CIP standards. The Standards Committee determined that the best course of action would be to curtail work on Project 2010-15, and assigned the Project 2008-06 drafting team the task of incorporating the scope of Project 2010-15 into its work.⁶

⁶ To address the potential reliability gap in the interim, NERC issued an Alert.

Q2 2011 Ballots and Comparison to Baseline Data

In the version of this report filed on January 31, 2011, NERC provided baselines for each phase of 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.

In this section and in future reports, NERC will compare the projects balloted each quarter against these baselines. These comparisons may highlight anomalies initially, but over time the comparison will help to identify trends in the time required for various phases of standards development.

During the second quarter of 2011, ballots were conducted for five standards projects. All but one of the standards projects balloted in the second quarter will be categorized as “revisions to existing standards” for the purposes of comparing to baselines. Chart 1 compares the development phases for each of the four revision projects in this quarter to the baseline. A discussion of the development phases for these projects is included below.

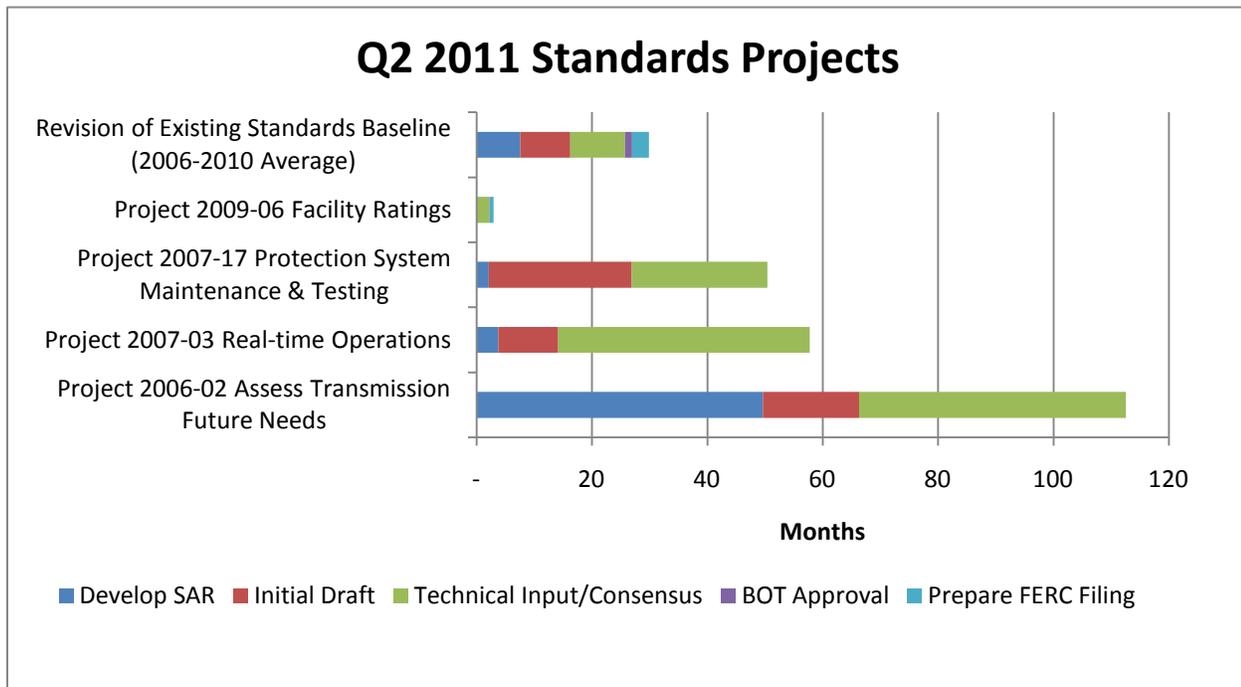


Chart 1

SAR Development Phase. For most projects balloted in the second quarter of 2011, the SAR was finalized quickly after being posted for industry review, but for one project, Project 2006-02, the initial SAR was submitted in 2002, prior to NERC becoming the ERO. The time to finalize the SAR and initiate drafting on this project was substantially longer than the baseline for this phase of development. From 2006 to 2010, SAR development times averaged eight months for a project to revise one or more existing standards. The SAR development period for Project 2006-02 was more than 49 months, in part because SAR development for Project 2006-02 was placed on ‘hold’ for almost two years before the SAR was finalized while waiting for completion of Version 0 standards.

Initial Draft Phase. Three of the four non-expedited projects to revise existing standards that were balloted in the second quarter 2011 are complex projects involving the consolidation of several standards. The average length of the initial draft phase of the projects balloted in this quarter reflects this complexity. On average, the time to develop initial drafts of standards in this quarter was approximately 13 months, about 50 percent longer than the 2006-2010 average duration of between eight and nine months for this phase of standard development. The average is skewed by the fact that one project, Project 2007-17, required over 24 months for this phase of development.

Technical Input Phase. Technical input from the industry is received 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 is made up of 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 responses to the comments received. The technical input phase is essentially a highly-organized dialogue between the drafting team and other industry stakeholders.

For the three more complex projects balloted during the second quarter of 2011, this phase took, on average, almost 38 months. For Project 2009-06, the revisions to address a single regulatory directive were narrow and the SAR, initial draft, and technical input phases were essentially conducted in parallel, requiring a total of just over two months. For all projects revising existing standards from 2006 to 2010, the average duration of the technical input phase was nine and a half months. Many of the revision projects included in the calculation of the baseline average involved the revision of a single standard, whereas three of the five projects balloted this quarter involve revisions to multiple standards or to incorporate requirements from multiple standards into a single standard.

Board of Trustees Adoption. The period of time between ballot pool approval of a standard and Board of Trustees adoption of the standard varies depending on the number of other items that require action by the board. (The board has a fixed schedule of face-to-face meetings, and supplements its face-to-face meetings, as needed, to ensure prompt action when necessary to meet ERO obligations.) In the second quarter of 2011, only one standard was presented to the Board of Trustees, and because the standard had been revised in response to a regulatory directive with a deadline, a special meeting of the Board of Trustees was scheduled to meet the filing deadline. The meeting was scheduled one day after the ballot closed.

One expedited project, Project 2010-15 Expedited Revisions to CIP-005, was balloted during the second quarter. For this project, the time elapsed from the initiation of the project with a SAR through the conclusion of the successive ballot was a total of 6.5 months. This is slightly longer than the average of 5.26 months total duration for the same phases for all projects that have followed either the Urgent Action process (under the *Reliability Standards Development Procedure*) or the Expedited process (under the *Standard Processes Manual*) since NERC became the Electric Reliability Organization (ERO). Chart 2 compares the development phases for the Expedited project to the average baseline for projects that have followed the Urgent Action or Expedited processes. As the chart shows, there is no time allotted to SAR development or initial drafting because the expedited process, like its predecessor Urgent Action process, requires posting the SAR and initial draft of the standard concurrently at the initiation of the project.

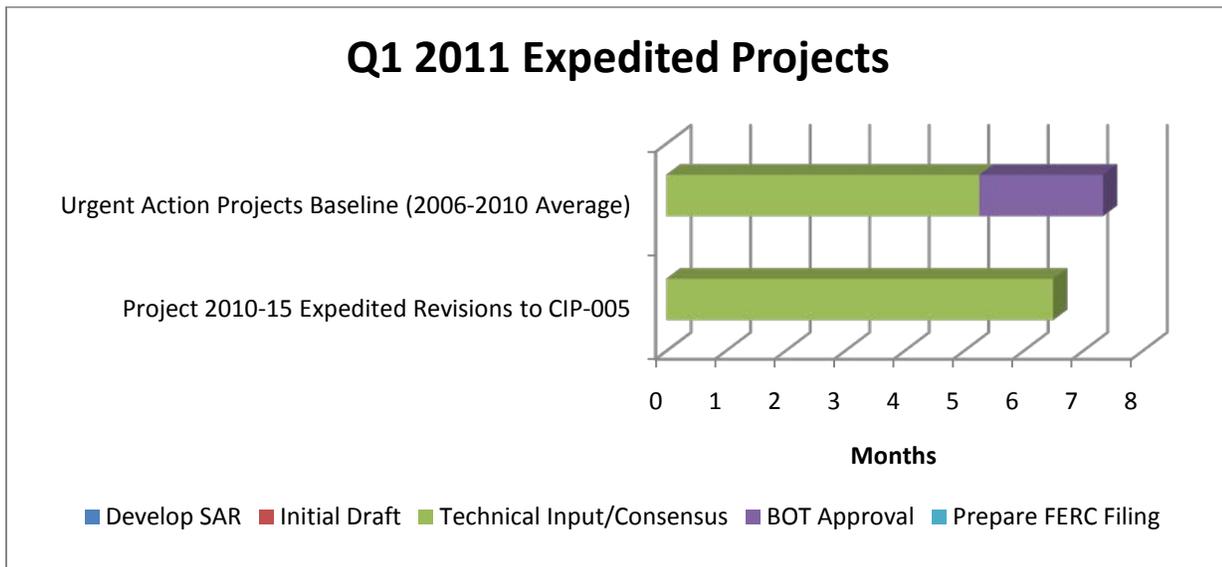


Chart 2

No ballots were conducted during the second quarter 2011 of interpretations or projects initiated to develop new standards.

Filing with Regulatory Authorities. During the second quarter of 2011, NERC submitted seven filings to FERC for standards projects that required board approval. One of these filings was a petition to approve a standard, and the average time between action by the Board of Trustees and filing with FERC was 28 days. In addition, NERC submitted filings on several standards projects that were balloted in prior quarters, including five petitions that were delayed in order to prepare filings for other projects with regulatory deadlines. Once the Board of Trustees approves a standards project, NERC staff routinely prepares a draft filing, which is then circulated internally for comment. If substantive edits are required in response to comments received, then additional drafts may be circulated. After a consensus is reached on the draft, NERC finalizes the filing and compiles any supporting exhibits to be submitted to FERC. The average time between board approval and filing with FERC for the second quarter, including filings without regulatory deadlines, was just over three months.

Responsiveness to FERC Directives. In the Three-Year Assessment Order, FERC directed NERC to include in these quarterly reports a separate analysis of the time required to complete projects in response to Commission directives.⁷

In its response to the Commission's order, NERC committed to file a status report annually on ERO responsiveness to directives issued by the Commission.⁸ NERC is committed to working with the Commission to reach a common understanding of the directives the Commission has issued, which of those have been addressed, and which remain outstanding. The initial status report was filed on July 26, 2011. As discussed in the directives report, NERC and FERC staffs are in the process of developing a complete and accurate list of directives. Once the list of directives is complete, NERC will supply information on the time required to complete action on the FERC directives.

Conclusion

Through analysis of the ballots conducted in the second quarter, NERC and the Standards Committee identified several opportunities to improve the efficiency and effectiveness of the standards process. A number of stakeholders submitted comments indicating a preference that ballots be conducted for single standards, rather than including the entire related group of standards that make up a project on a single ballot. The importance of stakeholder participation during the recirculation ballot was highlighted in both positive and less positive ways, with one standard seeing a dramatic improvement in stakeholder approval during the recirculation ballot and another losing enough approval to cause the recirculation ballot to fail. Recognizing the importance of this final step in stakeholder approval, NERC has undertaken steps to improve active stakeholder participation in recirculation ballots and is working with drafting teams to prominently identify changes made in response to stakeholder input before standards are posted for recirculation ballots.

⁷ Three-Year Assessment Order at P 85.

⁸ See *Order Directing NERC to Propose Modification of Electric Reliability Organization Rules of Procedure*, 130 FERC ¶61,203 (March 18, 2010). See also, *Compliance Filing of the North American Electric Reliability Corporation in Response to March 18, 2010 Commission Order Directing Revisions to Standards Development Procedure*, filed in Docket No. RR08-6-000 (December 23, 2010).

Appendix A

Summary of Process Revisions in NERC Standards Processes Manual

NERC's *Standards Processes Manual* was developed to replace *Reliability Standards Development Procedure Version 7* as Appendix 3A of the NERC Rules of Procedure. The *Standards Processes Manual* was approved by FERC in September 2010.

One of the significant modifications in the new *Standard Processes Manual* is the method used to achieve consensus – through parallel comment and ballot periods, which are conducted early in the process and continue until consensus is achieved. This change appears to be increasing the quality and quantity of feedback that the standards drafting teams are receiving on proposed standards. Because drafting teams are encouraged to make significant changes to the standards between successive ballots without a pre-ballot review period, this modification gives drafting teams the flexibility to revise the standards to take account of the comments received and immediately re-ballot without the separate, successive formal comment and pre-ballot review periods that were required in the *Reliability Standards Development Procedure Version 7*.

This added efficiency means drafting teams begin ballot periods earlier in the development process. While initial ballot results may receive lower approval ratings in the initial stages, as approval increases, the successive ballot process provides a clear indication of the move toward industry consensus.

Just as in the *Reliability Standards Development Plan Version 7*, an entity or individual that desires to vote on proposed reliability standards must be a member of the registered ballot body. The registered ballot body includes all entities or individuals that qualify for one of ten stakeholder segments and have registered with NERC as potential voting participants. Each member of the registered ballot body is eligible to participate in the voting process and ballot pool for each standard action. The ten stakeholder segments are:

- Transmission Owners
- Regional Transmission Organizations and Independent System Operators
- Load-Serving Entities
- Transmission Dependent Utilities
- Electric Generators
- Electricity Brokers, Aggregators, and Marketers
- Large Electricity End Users
- Small Electricity Users
- Federal, State, and Provincial Regulatory or other Government Entities
- Regional Reliability Organizations and Regional Entities

Each standard ballot action has its own ballot pool, populated by interested members of the registered ballot body, including those with specific technical expertise of the subject matter. The individuals that join a ballot pool respond to a pre-ballot e-mail announcement associated with each reliability standard ballot action. The ballot pool size varies, and is based on the standard and the topic. The ballot pool votes to approve or reject each standard action. Specifically, the ballot pool votes determine: (1) the need for and technical merits of a proposed standard action; and (2) that appropriate consideration was given to views and objections received during the development process.

The reliability standards development process may include three types of ballots: an initial ballot, a successive ballot, and a recirculation ballot. An initial ballot is conducted during the last 10 days of a 45-day comment period; successive ballots are conducted during the last 10 days of a 30-day comment period. Following an initial or successive ballot, the drafting team is obligated to respond to each stakeholder comment. The drafting team must consider the issues raised in stakeholder comments to determine whether revisions to the standard and its associated implementation plan should be made.

If the comments submitted during the initial comment period and ballot indicate a need for significant changes, then the drafting team will produce a new draft standard, even if the weighted segment approval is 66.66% or greater. When a drafting team makes significant revisions to the standard, the next ballot held is a successive ballot conducted during the last 10 days of a parallel 30-day comment period. Votes cast by the ballot pool in the initial ballot are not counted in a successive ballot. Each ballot pool member must cast a new vote.

If needed, the *Standard Processes Manual* allows for multiple, successive ballots to obtain the two-thirds majority on a proposed standard. Once the comments from a successive ballot are addressed by the drafting team without significant changes to the standard, the standard proceeds to a recirculation ballot.

A recirculation ballot does not have a comment period, and votes cast in the most recent successive ballot are carried forward. If a member of the ballot pool chooses to vote in the recirculation ballot, the vote cast by that member in the successive ballot is updated.

Approval of a standard action requires that both:

- A quorum is established. This requirement is met when at least 75% of the members of the ballot pool for the standard action submit a response with an affirmative vote, a negative vote, or an abstention; and
- A two-thirds majority of the weighted segment votes cast are affirmative. The number of votes cast is the sum of affirmative and negative votes, excluding abstentions and non-responses.

The following process is used to determine whether there are sufficient affirmative votes.

- The number of affirmative votes cast in each segment is divided by the sum of affirmative and negative votes cast to determine the fractional affirmative vote for each segment. Abstentions and non-responses are not counted for the purposes of determining the fractional affirmative vote for a segment.
- If there are less than ten entities that vote in a segment, the vote weight of that segment is proportionally reduced. Each voter within that segment voting affirmative or negative receives a weight of 10% of the segment vote. For segments with ten or more voters, the regular voting procedures are followed.
- The sum of the fractional affirmative votes from all segments divided by the number of segments voting is used to determine if a two-thirds majority affirmative vote has been

achieved. (A segment is considered as “voting” if any member of the segment in the ballot pool casts either an affirmative or a negative vote.)¹

- A standard is approved if the sum of fractional affirmative votes from all segments divided by the number of voting segments is equal to or greater than two thirds.

On March 17, 2011² the Commission approved a modification to NERC’s Rules of Procedure, Rule 321, that was developed to respond to FERC’s March 18, 2010 Order directing NERC to propose modifications to NERC’s Rules of Procedure was approved by the Commission. Rule 321 lays out specific processes to be used if stakeholders are unable to achieve consensus through the processes in the Standards Processes Manual to present the NERC Board of Trustees with a standard that is responsive to a specific Commission directive.

¹ When less than ten entities vote in a segment, the total weight for that segment is determined as one tenth per entity voting.

² See *Order Directing NERC to Propose Modification of Electric Reliability Organization Rules of Procedure*, 130 FERC ¶61,203 (March 18, 2010). See also, Compliance Filing of the North American Electric Reliability Corporation in Response to March 18, 2010 Commission Order Directing Revisions to Standards Development Procedure, filed in Docket No. RR08-6-000 (December 23, 2010).

Appendix B

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 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**.³ 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.

³ 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.

Appendix C Phases in Standard Projects

NERC has identified five phases in the development of a Reliability Standard. Table 2 identifies those phases.

Table 2

Phases in NERC Reliability Standards Development Projects	
Phase	Description
1. SAR Development	from initial draft SAR to SC acceptance of a SAR for posting, including industry ballot of SAR if required
2. Initial Draft Development	from acceptance of SAR to posting of initial draft
3. Industry Technical Input/Consensus Building	from posting of initial draft(s) through ballot pool approval of a recirculation ballot
4. Board of Trustee (BOT) Approval	from ballot pool approval to BOT approval
5. Filing with Regulatory Authorities	from BOT approval to filing