

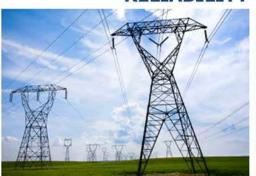
Background and Process

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June 7, 2016

RELIABILITY | ACCOUNTABILITY











Overview

- NERC Standards Committee (SC) endorsed standards grading as a metric on March 9, 2016
- Grading to be conducted by the Standing Review Team, as set forth in the Enhanced Periodic Review (EPR)
 - Operating Committee (OC) Chair (or OC Chair delegate)
 - Planning Committee (PC) Chair (or PC Chair delegate)
 - NFRC staff
 - A representative from the Regions
- Role of the SC Chair or his/her delegate
 - Facilitate the process
 - Facilitate the meetings
 - Assist to resolve differences of opinion



- Overview (continued)
 - Grading will use same decisions-tree and grading tools of the Independent Experts, with the addition of one quality question on cost-effectiveness



- Meetings/Postings:
 - o Two-day, face-to-face, open meeting in Atlanta, June 22-23, 2016;
 - Initial grading, focus on differences of opinion
 - Posting for 30-day stakeholder comment period
 - o Two-day, face-to-face, open meeting in Atlanta, August 2016
 - Finalize grading included in the 2017-2019 Reliability Standards Development Plan (RSDP)





Standards to be graded from the 2016-2018 RSDP

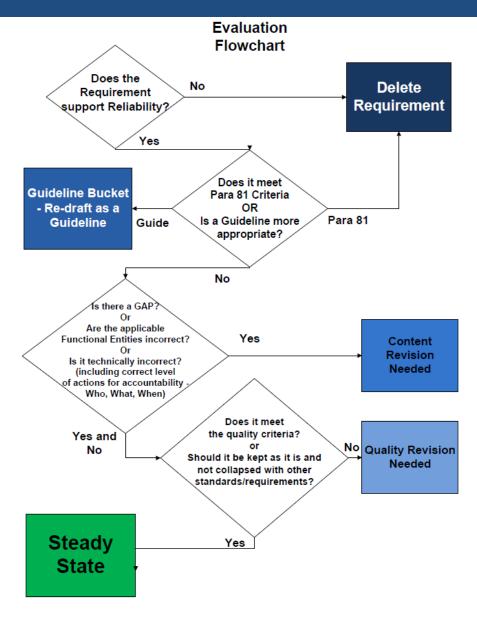
- BAL-001
- FAC-008-3
- PRC family
- INT
 - INT-004
 - INT-006
 - INT-009
 - INT-010

- EOP
 - EOP-010
 - EOP-011
- VAR:
 - VAR-001
 - VAR-002
- PER
 - PER-001
 - PER-003
 - PER-004



- Decision Tree Tool
 - Content Score 0-3
 - Quality Score 0-13





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Evaluation Criteria

Content

- Score of 1 Is the content of the requirement technically correct, including identifying who does what and when?
- Score of 2 Are the correct functional entities identified?
- Score of 3 Are the appropriate actions, for which there should be accountability, included or is there a gap?

Quality

- Should the requirement stand alone as-is, or should it be consolidated with other standards?
- Is it drafted as a Results-based Standard (RBS) requirement (performance, risk (prevention) or capability) and does it follow the RBS format (e.g., sub-requirement structure)?



Evaluation Criteria (Continued)

- Quality
 - o Is it technologically neutral?
 - o Are the expectations for each function clear?
 - o Does the requirement align with the Purpose?
 - o Is it a higher solution than the lowest common denominator?
 - o Is it measureable?
 - o Does it have a technical basis in engineering and operations?
 - o Is it complete and self-contained?



- Evaluation Criteria (Continued)
 - Quality (Continued)
 - o Is the language clear and does not have ambiguous or outdated terms?
 - o Can it be practically implemented?
 - o Does it use consistent terminology?
 - Is the standard cost-effective in achieving the reliability purpose or objective of the standard and mitigating the risk to the BES?



- Stakeholder Comment
 - Initial grading to be sent to stakeholders for comment
 - Minimum 10 business days
 - Comment form to focus stakeholders on specific questions to assist
 Standing Review Team finalize the grading



Second Grading Session

- Open to stakeholders two-day, face-to-face meeting will be facilitated by the Chair of the SC, focusing on resolving significant deltas not resolved in the initial grading session
- Final grade to be appended to RSDP that is endorsed by the SC, approved by the NERC Board of Trustees and filed at the Federal Energy Regulatory Commission
- Final grade will be starting point for EPR teams' work, along with additional information collected, as required under the EPR template
- The chairs of the OC, PC, NERC staff, and the Regional representative must come prepared and empowered to work to resolve deltas



2017 and Beyond

- Process to be repeated each year until standard has a steady state grade
- If any EPR team determines, and stakeholders approve, revisions to a standard requirement that was graded in 2016, the Standing Review Team shall re-grade the standard requirement based on the revision
 - The re-graded requirement(s) will also be posted for stakeholder comment for at least 10 business days prior to Standing Review Team finalizing





Questions and Answers

