NERC
NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION

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Standard Authorization Request Form

Request Date	March 15, 2012

SAR Requester Information	**SAR Type** (*Check a box for each one that applies.*)	
Individual, Group, or Committee Name David Taylor	☐	New Standard
Primary Contact (if Group or Committee)	☐	Revision to existing Standard
Company or Group Name NERC	☐	Withdrawal of existing Standard
E-mail David.Taylor@nerc.net	☐	Project Identified in Reliability Standards Development Plan (Project Number and Name:)
Telephone (609) 651-5089	☒	Modification to NERC Glossary term or addition of new term

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Brief Description of Proposed Standard Modifications / Actions

The Federal Energy Regulatory Commission (FERC) issued directives in FERC Order 693 requiring the addition of the statutory definitions for Bulk Power System, Reliable Operation, and Reliability Standard to the Glossary of Terms used in Reliability Standards. The purpose of this SAR is to add the definitions to the glossary.

Need

By adding the definitions for Bulk Power System, Reliable Operation, and Reliability Standard to the Glossary of Terms used in Reliability Standards, NERC will be complying with mandatory directives in Order 693 issued by FERC.

Goals

The definitions for Bulk Power System, Reliable Operation, and Reliability Standard will be added to the Glossary of Terms used in Reliability Standards.

Objectives and / or Potential Future Metrics

The criteria for success will be regulatory approval of the statutory definitions for Bulk Power System, Reliable Operation, and Reliability Standard being added to the Glossary of Terms used in Reliability Standards.

Detailed Description

In Paragraph 1894 of Order 693, the Commission directed the Electric Reliability Organization to include the statutory definitions of 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 stautory definition of Bulk-Power System, the Reliability Standards refer to the bulk electric system, which is also defined in the glossary."

Inclusion of the proposed terms for Bulk Power System, Reliability Standard, and Reliable Operation in the NERC Glossary of Terms used in Reliability Standards will address three outstanding Commission directives.

On November 29, 2011, NERC submitted a petition to the Commission requesting approval of revisions to NERC's Rules of Procedure (ROP), including revisions to Sections 100 through 1600 of the ROP and Appendices 3A, 3B, 3C, 3D, 4A, 4B, 4C, 4D, 4E, 5A, 5B, 6 and 8, and a new Appendix 2, *Definitions Used in the Rules of Procedure*. The purposes of the proposed revisions were (1) to place all definitions of defined terms used anywhere in the ROP in a single, readily-accessible location (proposed new Appendix 2); (2) to capitalize defined terms throughout the ROP where such terms are intended to be used in their defined meanings; and (3) to lower-case other terms that are currently capitalized in the ROP but are not defined terms.

On January 31, 2012, the Commission issued an Order approving NERC's November 29, 2011 request.

The proposed definitions for Bulk Power System, Reliability Standard, and Reliable Operation below, even though not identical to the statutory terms included in Section 215(a) of the Federal Power Act, are identical to the definitions approved by the Commission in their January 31, 2012 Order; and, therefore, are an equally efficient and effective response to the Commission's directives from Order 693.

The following definitions should be added to the NERC Glossary of Terms Used in Reliability Standards in order to comply with the FERC directives in Paragraph 1894 of Order 693:

- **"Bulk Power System"** means, depending on the context: (i) Facilities and control systems necessary for operating an interconnected electric energy supply and transmission network (or any portion thereof), and electric energy from generating facilities needed to maintain transmission system reliability. The term does not include facilities used in the local distribution of electric energy.
- **"Reliability Standard"** means a requirement to provide for Reliable Operation of the Bulk Power System, including without limiting the foregoing, requirements for the operation of existing Bulk Power System Facilities, including cyber security protection, and including the design of planned additions or modifications to such Facilities to the extent necessary for Reliable Operation of the Bulk Power System, but the term does not include any requirement to enlarge Bulk Power System Facilities or to construct new transmission capacity or generation capacity. A Reliability Standard shall not be effective in the United States until approved by the Federal Energy Regulatory Commission and shall not be effective in other jurisdictions until made or allowed to become effective by the Applicable Governmental Authority.
- **"Reliable Operation"** means operating the Elements of the Bulk Power System within equipment and electric system thermal, voltage, and stability limits so that instability, uncontrolled separation, or Cascading failures of such system will not occur as a result of a sudden disturbance, including a Cyber Security Incident, or unanticipated failure of system Elements.

As the definitions for Bulk Power System, Reliable Operation, and Reliability Standard proposed here are identical to the definitions approved by the Commission in their January 31, 2012 Order, no changes should be made to the definitions. It is recommended that the Standards Committee waive the requirement for posting for industry comment and that the definitions go straight to industry ballot.

OPTIONAL: Technical Analysis Performed to Support Justification N/A

Reliability Functions

The Standard(s) May Apply to the Following Functions *(Check box for each one that applies.)*		
☒	Regional Entity	Conducts the regional activities related to planning and operations, and coordinates activities of Responsible Entities to secure the reliability of the Bulk Electric System within the region and adjacent regions.
☒	Reliability Coordinator	Responsible for the real-time operating reliability of its Reliability Coordinator Area in coordination with its neighboring Reliability Coordinator's wide area view.
☒	Balancing Authority	Integrates resource plans ahead of time, and maintains load-interchange-resource balance within a Balancing Authority Area and supports Interconnection frequency in real time.
☒	Interchange Authority	Ensures communication of interchange transactions for reliability evaluation purposes and coordinates implementation of valid and balanced interchange schedules between Balancing Authority Areas.
☒	Planning Coordinator	Assesses the longer-term reliability of its Planning Coordinator Area.
☒	Resource Planner	Develops a >one year plan for the resource adequacy of its specific loads within a Planning Coordinator area.
☒	Transmission Planner	Develops a >one year plan for the reliability of the interconnected Bulk Electric System within its portion of the Planning Coordinator area.
☒	Transmission Service Provider	Administers the transmission tariff and provides transmission services under applicable transmission service agreements (e.g., the pro forma tariff).
☒	Transmission Owner	Owns and maintains transmission facilities.
☒	Transmission Operator	Ensures the real-time operating reliability of the transmission assets within a Transmission Operator Area.
☒	Distribution Provider	Delivers electrical energy to the End-use customer.
☒	Generator Owner	Owns and maintains generation facilities.
☒	Generator Operator	Operates generation unit(s) to provide real and reactive power.
☒	Purchasing-Selling Entity	Purchases or sells energy, capacity, and necessary reliability-related services as required.
☒	Market Operator	Interface point for reliability functions with commercial functions.
☒	Load-Serving Entity	Secures energy and transmission service (and reliability-related services) to serve the End-use Customer.

Reliability and Market Interface Principles

Applicable Reliability Principles *(Check box for all that apply.)*	
☐	1. Interconnected bulk power systems shall be planned and operated in a coordinated manner to perform reliably under normal and abnormal conditions as defined in the NERC Standards.
☐	2. The frequency and voltage of interconnected bulk power systems shall be controlled within defined limits through the balancing of real and reactive power supply and demand.
☐	3. Information necessary for the planning and operation of interconnected bulk power systems shall be made available to those entities responsible for planning and operating the systems reliably.
☐	4. Plans for emergency operation and system restoration of interconnected bulk power systems shall be developed, coordinated, maintained and implemented.
☐	5. Facilities for communication, monitoring and control shall be provided, used and maintained for the reliability of interconnected bulk power systems.
☐	6. Personnel responsible for planning and operating interconnected bulk power systems shall be trained, qualified, and have the responsibility and authority to implement actions.
☐	7. The security of the interconnected bulk power systems shall be assessed, monitored and maintained on a wide area basis.
☐	8. Bulk power systems shall be protected from malicious physical or cyber attacks.

Does the proposed Standard(s) comply with all of the following Market Interface Principles? *(Select 'yes' or 'no' from the drop-down box.)*
1. A reliability standard shall not give any market participant an unfair competitive advantage. Yes
2. A reliability standard shall neither mandate nor prohibit any specific market structure. Yes
3. A reliability standard shall not preclude market solutions to achieving compliance with that standard. Yes
4. A reliability standard shall not require the public disclosure of commercially sensitive information. All market participants shall have equal opportunity to access commercially non-sensitive information that is required for compliance with reliability standards. Yes

Related Standards

Standard No.	Explanation

Related Projects

Project ID and Title	Explanation

Regional Variances

Region	Explanation
ERCOT	
FRCC	
MRO	
NPCC	
SERC	
RFC	
SPP	
WECC	