

December 16, 2015

VIA ELECTRONIC FILING

Kirsten Walli, Board Secretary
Ontario Energy Board
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RE: *North American Electric Reliability Corporation*

Dear Ms. Walli:

The North American Electric Reliability Corporation (“NERC”) hereby submits Petition of the North American Electric Reliability Corporation for Approval of Revised Definitions of Terms Used in Reliability Standards. NERC requests, to the extent necessary, a waiver of any applicable filing requirements with respect to this filing.

Please contact the undersigned if you have any questions.

Respectfully submitted,

/s/ Holly A. Hawkins

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*Associate General Counsel for the North
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Enclosure

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**ONTARIO ENERGY BOARD
OF THE PROVINCE OF ONTARIO**

**NORTH AMERICAN ELECTRIC)
RELIABILITY CORPORATION)**

**PETITION OF THE
NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION
FOR APPROVAL OF REVISED DEFINITIONS OF TERMS USED IN RELIABILITY
STANDARDS**

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December 16, 2015

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**ONTARIO ENERGY BOARD
OF THE PROVINCE OF ONTARIO**

**NORTH AMERICAN ELECTRIC)
RELIABILITY CORPORATION)**

**PETITION OF THE
NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION
FOR APPROVAL OF REVISED DEFINITIONS OF TERMS USED IN RELIABILITY
STANDARDS**

The North American Electric Reliability Corporation (“NERC”) hereby submits proposed revised definitions of 26 terms in the *Glossary of Terms Used in NERC Reliability Standards* (“Glossary”). These revisions were developed as part of a broader effort to align the definitions of terms in the Glossary with those in the NERC Rules of Procedure to promote understanding and reduce confusion regarding the proper definitions of those terms.

The proposed revised definitions (**Exhibit A**) are just, reasonable, not unduly discriminatory or preferential, and in the public interest.¹ NERC also requests approval of the proposed implementation plan and the retirement of the currently-effective definitions (**Exhibit B**).

Concurrently with this filing, NERC has filed a suite of revisions to the NERC Rules of Procedure, including corresponding alignment revisions to the definitions of 16 terms in Appendix 2 to the NERC Rules of Procedure. The proposed changes to the Glossary definitions are submitted contemporaneously with the proposed changes to the Rules of Procedure definitions so that the definitions in each document are aligned.

¹ Unless otherwise designated, capitalized terms shall have the meaning set forth in the *Glossary of Terms Used in NERC Reliability Standards* (“NERC Glossary of Terms”), available at http://www.nerc.com/files/Glossary_of_Terms.pdf.

This filing presents the technical basis and purpose of the proposed revised definitions, a demonstration that the proposed revised definitions meet the Reliability Standards criteria (**Exhibit C**), and a summary of the development history (**Exhibit F**). The NERC Board of Trustees approved the proposed revised definitions on November 5, 2015.

I. EXECUTIVE SUMMARY

In this filing, NERC proposes revisions to the definitions of certain terms in the NERC Glossary as part of a broader effort to align the definitions of terms that appear in both the Glossary and the Rules of Procedure. Since the initial approval of the Glossary in 2007, there have been a number of standard development projects and Rules of Procedure revisions modifying the definitions of defined terms used in those documents. In some cases, this has resulted in the same defined term having a different definition in the Glossary and the Rules of Procedure. For certain defined terms, the differences in the definitions is appropriate, due to the usage of the term in the respective document. However, for other defined terms, having differences in the definitions—whether differences in capitalization, substance, or punctuation—could lead to confusion or misunderstanding.

To resolve these differences and promote consistency across NERC documents, NERC proposes revisions to 26 defined terms in the Glossary in this filing and proposes revisions to 16 defined terms in the Rules of Procedure in a separate, concurrently-filed filing.

As discussed in greater detail below, the proposed revisions are limited to those necessary to provide for properly-aligned definitions of defined terms found in both the Glossary and the Rules of Procedure. The proposed revisions are not intended to substantively change the original definitions or alter any obligation to comply with the Reliability Standards in which these defined terms are used. However, the proposed revisions would advance reliability by providing the users, owners, and operators of the Bulk-Power System, as well as the ERO Enterprise, with

a better understanding of the terminology used in the Glossary and the Rules of Procedure, thereby facilitating the consistent interpretation and application of defined terms.

II. NOTICES AND COMMUNICATIONS

Notices and communications with respect to this filing may be addressed to the following:

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III. BACKGROUND

A. NERC Reliability Standards Development Procedure

The proposed revised definitions were developed in an open and fair manner and in accordance with the Reliability Standard development process. NERC develops definitions in accordance with Section 300 (Reliability Standards Development) of its Rules of Procedure and the NERC Standard Processes Manual.²

NERC's proposed rules provide for reasonable notice and opportunity for public comment, due process, openness, and a balance of interests in developing Reliability Standards and thus satisfies certain of the criteria for approving Reliability Standards. The development process is open to any person or entity with a legitimate interest in the reliability of the Bulk-Power System. NERC considers the comments of all stakeholders, and a vote of stakeholders and

² The NERC Rules of Procedure are available at <http://www.nerc.com/AboutNERC/Pages/Rules-of-Procedure.aspx>. The NERC Standard Processes Manual is *available at* http://www.nerc.com/comm/SC/Documents/Appendix_3A_StandardsProcessesManual.pdf.

the NERC Board of Trustees is required to approve a Reliability Standard before the Reliability Standard is submitted to the applicable governmental authorities.

The proposed revised definitions described in this filing were developed in accordance with NERC's ANSI-accredited processes for developing and approving definitions. **Exhibit F** includes a summary of the development history and record of development for the proposed revised definitions.

B. History of the Glossary and Appendix 2 to the NERC Rules of Procedure

NERC provides a brief description of the history and purpose of the Glossary and Appendix 2 to the Rules of Procedure, Definitions Used in the Rules of Procedure below.

1. History of the Glossary

On April 4, 2006, NERC submitted its application for recognition of Reliability Standards and the Glossary. The Glossary contains the definitions of terms used in NERC Reliability Standards. In Order No. 693, the Federal Energy Regulation Commission ("FERC") highlighted the role the Glossary plays in promoting a consistent and clear understanding of terms used throughout the Reliability Standards:

The terms defined in the glossary have an important role in establishing consistent understanding of the Reliability Standards Requirements and implementation. The approval of the glossary will provide continuity in application of the glossary definitions industry-wide, and will eliminate multiple interpretations of the same term or function, which may otherwise create miscommunication and jeopardize Bulk-Power System reliability.³

FERC further stated, "The glossary should be updated through the Reliability Standards development process whenever a new or revised Reliability Standard that includes a new defined

³ *Mandatory Reliability Standards for the Bulk-Power System*, Order No. 693, FERC Stats. & Regs. ¶ 31,242 ("Order No. 693"), *order on reh'g*, Order No. 693-A, 120 FERC ¶ 61,053, P 1893 (2007).

term is approved, or as needed to clarify compliance activities.”⁴ Since the Glossary was submitted, NERC has submitted new defined terms and revisions to the definitions of existing terms developed through the standard development process, as well as the retirement of previously-effective terms and definitions.

NERC maintains a comprehensive, up-to-date Glossary on its web site that reflects all defined terms used in Reliability Standards that have been approved by the NERC Board of Trustees.⁵ The Glossary also reflects the status of FERC approval, includes approval and effective dates, and contains links to the archive of the development of each definition.

2. History of Appendix 2 to the Rules of Procedure

In 2011, at FERC’s suggestion, NERC submitted a filing to consolidate all of the defined terms contained in the various sections and appendices of the Rules of Procedure into one central location, Appendix 2 to the Rules of Procedure.⁶ Appendix 2 contains all defined terms that are used in the Rules of Procedure, including its appendices, and provides for clear and consistent use of defined terms across the entire document. Where a defined term is intended to have a different meaning in a particular appendix or section, it is noted in Appendix 2.

In its December 2011 Filing, NERC noted that many of the definitions in Appendix 2 were “taken largely from existing sources, including Section 215 of the FPA; FERC’s regulations; the NERC Bylaws, the NERC *Glossary of Terms Used in Reliability Standards*; and existing definitions found in the [Rules of Procedure] and Appendices”⁷ NERC stated, “To the maximum extent possible, definitions of terms appearing in the Glossary of Terms Used in

⁴ *Id.*

⁵ The *Glossary of Terms Used in NERC Reliability Standards* is available on NERC’s web site at: http://www.nerc.com/files/Glossary_of_Terms.pdf.

⁶ *Notice of Filing of Revisions to the Rules of Procedure of the North American Electric Reliability Corporation*, (December 20, 2011) (“December 2011 Filing”).

⁷ December 2011 Filing at 8.

Reliability Standards were used as the definitions of those terms in Appendix 2, as this promotes even greater consistency of terms across relevant NERC documents.”⁸ NERC also noted that it included a number of defined terms “internal” to the definition of other defined terms to provide for a more complete understanding of these defined terms, and that the definitions for these “internal” terms were themselves taken from the Glossary.

As explained in the December 2011 Filing, in Appendix 2, definitions of terms taken from the Glossary are marked with two asterisks (**). Definitions of terms that are taken from Section 215 of the FPA or from FERC’s regulations at 18 C.F.R. Part 39 or Part 388 are marked with two plus signs (++).

C. Project 2015-04 Alignment of Terms

Since the initial development of the Glossary, there have been a number of standard development projects and Rules of Procedure revisions affecting the defined terms that are used in those documents. In some cases, the projects resulted in the same defined term having a different definition in the Glossary and the Rules of Procedure. For certain defined terms, the differences in the definitions is appropriate, due to the usage of the term in the respective document. However, for other defined terms, especially those defined terms denoted as having been taken from the Glossary, the differences in the definitions may lead to confusion or misunderstanding.

To address this issue, NERC initiated Project 2015-04 Alignment of Terms in March 2015. This project consisted of two phases corresponding to the two goals for the project. In Phase 1, the standard drafting team developed or recommended revisions to the definitions of

⁸ *Id.*

defined terms used in both the Glossary and Rules of Procedure in order to provide for consistent, aligned definitions across both documents.

In Phase 2, which is currently ongoing, the standard drafting team is assessing the current processes in place for the development and maintenance of defined terms and providing recommendations to enhance those processes to promote consistency and alignment when defined terms are developed or revised in the future.

1. Project Methodology

The Project 2015-04 standard drafting team began by reviewing the Rules of Procedure and the Glossary for defined terms that appear in both documents. The standard drafting team identified 55 of these defined terms, which it designated “cross-over terms.”⁹ The standard drafting team then compared the definition narrative of each of these 55 cross-over terms. The team determined that, of these 55 cross-over terms, 40 contained inconsistencies or differences in the definition narrative. In some cases, these differences were minor, reflecting capitalization of a term in one version of the definition and not the other, or one version of the definition would be missing a word or letter. In other cases, the differences were more significant. The standard drafting team identified common alignment issues and categorized the terms into one of four different “groups” based on the type of alignment issue identified. The groups are summarized as follows:

- **Group 1 Terms:** Cross-over terms that contain differences in the substance or content of the definition;
- **Group 2 Terms:** Cross-over terms that contain differences in the substance or content of the definition, but are subject to change. This category includes terms under revision, terms scheduled for retirement, and terms pending future enforcement;

⁹ For a complete list of the cross-over terms, see Summary of Proposed Revisions to Align Cross-Over Terms (Ex. D) (“Summary”) at Attachment 1.

- **Group 3 Terms:** Cross-over terms that contain differences in the capitalization of terms that are included in the definition narrative, but are otherwise aligned in substance and content; and
- **Group 4 Terms:** Cross-over terms that contain errata-type differences, such as the inadvertent omission of a word or a letter.

After identifying the cross-over terms with differences in the definition narrative and grouping them by issue, the standard drafting team undertook substantial background research to determine whether alignment revisions were appropriate. For each term, the standard drafting team considered: (i) the history of the term’s definition; (ii) the intent of previous standard drafting teams; (iii) the relevant regulatory proceedings, including prior FERC orders; and (iv) the usage of the term in the Glossary, the relevant Reliability Standard(s), and the relevant Rules of Procedure provisions.

2. Proposed Revisions to Defined Terms and Summary of Development Process

Based on the results of its review and in consultation with NERC staff, the standard drafting team proposed or recommended alignment revisions to a total of 26 Glossary terms and 16 Rules of Procedure terms as follows:

- **Group 1 Terms:** changes proposed to the definitions of eight defined terms: two terms in the Glossary, three terms in the Rules of Procedure, and three terms in both the Glossary and Rules of Procedure;
- **Group 2 Terms:** changes proposed to the definitions of one defined term in both the Glossary and Rules of Procedure;
- **Group 3 Terms:** changes proposed the definitions of 22 defined terms: 16 terms in the Glossary, 3 terms in the Rules of Procedure, and 3 terms in both the Glossary and the Rules of Procedure; and
- **Group 4 Terms:** changes proposed to the definitions of three defined terms: two terms in the Rules of Procedure and one term in both the Glossary and the Rules of Procedure.

The Project 2015-04 standard drafting team declined to develop or recommend changes for six out of the 40 cross-over terms, including one Group 1 term¹⁰ and five Group 2 terms.¹¹ The proposed revisions, which are discussed in more detail in the following section, are limited to those necessary to align the definitions for each of the defined terms identified as appropriate for alignment through this project. Technical revisions to the definitions were not in the scope of this project.

The proposed revisions to the definitions of the Glossary terms were developed and balloted through the standard development process. A summary of the development history is provided in **Exhibit F**. The proposed Rules of Procedure revisions were posted for public comment in accordance with Section 1400 of the Rules of Procedure. Both sets of proposed revised definitions were posted concurrently to promote understanding of the entire suite of proposed revisions and ensure that any incremental changes would continue to result in aligned definitions of these terms.

Both sets of revisions were approved by the NERC Board of Trustees on November 5, 2015. The proposed revisions to the Rules of Procedure are the subject of a separate filing filed concurrently with this filing.¹²

¹⁰ The standard drafting team declined to recommend changes to align the Glossary and Rules of Procedure definitions of Group 1 cross-over term “Net Energy for Load,” due to the differing usage of the term in the respective documents. *See* Summary (Ex. D) Group 1 Terms at 15-17.

¹¹ Concurrently with this filing, NERC has filed a separate filing of a suite of revisions to the Rules of Procedure to address compatibility with version 5 of the Critical Infrastructure Protection (“CIP”) Reliability Standards. This filing addresses the four CIP-related cross-over terms (Critical Assets, Critical Cyber Assets, Cyber Assets, and Cyber Security Incident) identified by the standard drafting team as having different definitions in the Glossary and the Rules of Procedure now or following the effective date of version 5 of the CIP Reliability Standards. *See Notice of Filing of the North American Electric Reliability Corporation of Proposed Rules of Procedure Revisions*, (“ROP Filing”) and Summary (Ex. D) Group 2 Terms at 2-5.

The standard drafting team also declined to recommend changes to align the Glossary and Rules of Procedure definitions of the final Group 2 term, “Special Protection System.” The standard drafting team noted that the definition of this term could be modified through another standard development project - Project 2010-05.3 Protection Systems. *See* Summary (Ex. D) Group 2 Terms at 9.

¹² *See* ROP Filing.

IV. JUSTIFICATION FOR APPROVAL

As discussed in **Exhibit C** and below, the proposed revised definitions satisfy the Reliability Standards criteria, and are just, reasonable, not unduly discriminatory or preferential, and in the public interest.

The proposed revised definitions enhance reliability by providing the users, owners, and operators of the Bulk-Power System, as well as the ERO Enterprise, with a better understanding of the terminology used in the Glossary and the Rules of Procedure. Aligning terms—where it is appropriate to do so in light of the history, usage of the term, and other relevant considerations—helps to avoid confusion and promotes consistent interpretations and applications of defined terms.

As noted above, the proposed revisions are limited to those necessary to align the definitions of terms. The proposed revisions do not substantively change the original definitions and do not alter any obligation to comply with the Reliability Standards in which these defined terms are used.

Provided below is a summary of the proposed revised definitions, including the basis for the revisions and a discussion of prior proceedings. Additional information regarding the standard drafting team's analysis for each term is available in the Summary of Proposed Revisions to Align Cross-Over Terms document, attached hereto as **Exhibit D**, and the Proposed Errata or Non-Substantive Revisions to Glossary Terms document, attached hereto as **Exhibit E**.

The terms are organized by the grouping assigned by the Project 2014-04 standard drafting team. A discussion of the proposed implementation plan follows.

A. “Group 1” Terms: Revisions to Align Differences in the Substance or Content in the Definition of a Defined Term

NERC proposes revisions to a total of five Group 1 terms in the Glossary: Bulk-Power System, Reliability Standard, Generator Operator, Generator Owner, and System Operating Limit.¹³ The rationale for the revisions to each Glossary term is provided below.

1. Bulk-Power System and Reliability Standard

On June 4, 2013, NERC provided notice of inclusion of the definitions of Bulk-Power System and Reliability Standard in the Glossary. NERC developed the currently-effective definitions in response to a FERC directive from Order No. 693 to modify the Glossary to include the statutory definitions of these terms.¹⁴ The currently-effective definitions of Bulk Power System and Reliability Standard in the Rules of Procedure were submitted on April 4, 2006.

Although the definitions of both terms in the Glossary and Rules of Procedure are generally consistent with each other and the statutory and regulatory definitions, there are some minor differences in the definition narratives. NERC proposes modest changes to the definitions of these terms as they appear in the Glossary and the Rules of Procedure in order to promote a consistent understanding of the terms.

In the Glossary definition of Bulk-Power System, NERC proposes to eliminate the hyphen to align with the Rules of Procedure. The Rules of Procedure refer to “Bulk Power System”, without the hyphen. The hyphen between “bulk” and “power” is not used, because it is not being used as a compound modifier.¹⁵ To clarify that the terms “Bulk Power System” and

¹³ Of these terms, NERC separately proposes alignment revisions to Rules of Procedure defined terms Bulk Power System, Reliability Standard, and System Operating Limit.

¹⁴ See Order No. 693 at P 1894. “Bulk-power system” and “reliability standard” are defined in Section 215 of the FPA (16 U.S.C. § 824o) and FERC’s regulations at 18 C.F.R. part 39.

¹⁵ See Summary Group 1 Terms at 8.

“Bulk-Power System” are intended to have the same, statutory meaning across both documents, NERC proposes the inclusion of a parenthetical following the definition as follows:

Bulk-Power System:

(A) facilities and control systems necessary for operating an interconnected electric energy transmission network (or any portion thereof); and

(B) electric energy from generation facilities needed to maintain transmission system reliability.

The term does not include facilities used in the local distribution of electric energy. (Note that the terms “Bulk-Power System” or “Bulk Power System” shall have the same meaning.)

Similarly, NERC proposes to modify the Glossary definition of Reliability Standard to refer to “Bulk Power System” instead of “Bulk-Power System.”¹⁶

Additional information regarding the corresponding proposed revisions to the Rules of Procedure definitions is available in that filing and in Exhibits D and E.

2. Generator Operator and Generator Owner

The currently-effective Glossary definitions of Generator Operator and Generator Owner were submitted on April 4, 2006. NERC proposes to amend the Glossary definitions of Generator Operator and Generator Owner to align them with the recently revised Rules of Procedure definitions submitted on January 6, 2015.

NERC developed the revised Rules of Procedure definitions through its Risk Based Registration initiative. As explained in NERC’s January 2015 filing, NERC updated the definitions of Generator Operator and Generator Owner to align them with the new Bulk Electric System definition that became effective on July 1, 2014. Specifically, the references to

¹⁶ In addition, NERC notes that it will remove the brackets used to offset the capitalized form of the terms Bulk-Power System and Reliable Operation in the definition of Reliability Standard, as these terms and their usage in the capitalized form in the definition of Reliability Standard have been approved by FERC. *See N. Am. Elec. Reliability Corp.*, Docket No. RD13-10-000 at 2 (Jul. 9, 2013) (unpublished letter order).

generating “units” were replaced with generating “Facility(ies)”; i.e., Bulk Electric System generation.¹⁷

To align the definitions of these terms, NERC proposes the following revisions to the Glossary definitions:

Generator Operator: The entity that operates generating Facility(ies) ~~unit(s)~~ and performs the functions of supplying energy and Interconnected Operations Services.

Generator Owner: Entity that owns and maintains generating Facility(ies) ~~units~~.

By replacing the undefined term “unit” with the defined term Facility, consistent with prior approved revisions to the Rules of Procedure, the proposed Glossary revisions will provide a clear and consistent understanding of what constitutes a Generator Owner and Generator Operator in both the Rules of Procedure and the Reliability Standards.

3. System Operating Limit

In the Glossary, changes are proposed to provide for the correct and consistent capitalization of terms used in the definition narrative, as shown below:

The value (such as MW, ~~MVar-Mvar~~, ~~Amperes-amperes~~, ~~Frequency frequency~~ or ~~Volts-volts~~) that satisfies the most limiting of the prescribed operating criteria for a specified system configuration to ensure operation within acceptable reliability criteria. System Operating Limits are based upon certain operating criteria. These include, but are not limited to:

- ~~Facility Ratings (Applicable applicable pre- and post-Contingency equipment Equipment Ratings or facility Facility ratings Ratings)~~
- ~~Transient transient Stability stability Ratings ratings (Applicable applicable pre- and post-Contingency Stability stability Limits limits)~~

¹⁷ Notice of Filing of the North American Electric Reliability Corporation of Risk-Based Registration Initiative Rules of Procedure Revisions at 51, (filed Jan. 6, 2015) (“RBR Filing”).

- ~~Voltage~~ voltage ~~Stability~~ stability ~~Ratings~~ ratings (~~Applicable~~ applicable pre- and post-Contingency ~~Voltage~~ voltage ~~Stability~~ stability)
- ~~System~~ system ~~Voltage~~ voltage ~~Limits~~ limits (~~Applicable~~ applicable pre- and post-Contingency ~~Voltage~~ voltage ~~Limits~~ limits)

Capitalization of the value terms is revised for consistency with the common usage of these terms and the usage in the Rules of Procedure. The standard drafting team reviewed each of the remaining terms in the narrative to determine whether the terms were defined in the Glossary and, if so, whether the terms were intended to have the defined meaning. The terms “Transient Stability Ratings”, “Voltage Stability Ratings”, and “System Voltage Limits” in the operating criteria examples are revised to lower-case form as they are not terms defined in the Glossary. The terms “equipment rating” and “facility ratings” are capitalized, as they are defined terms and each is intended to have the meaning of the defined term within the System Operating Limit definition narrative.

As discussed in the ROP Filing, changes are proposed to the Rules of Procedure definition of System Operating Limit to include the operating criteria examples provided for illustration in the Glossary definition.

B. “Group 2” Terms: Revisions to Align Differences in the Substance or Content in the Definition of a Defined Term Pending Approval

NERC proposes revisions to one Group 2 term: Interconnection. Specifically, NERC proposes to align the definition of Interconnection in the Glossary and the Rules of Procedure through the creation of a single, combined definition for both documents. The currently-effective Rules of Procedure definition of Interconnection tracks the definition in Section 215 of the FPA, and provides a description of the concept of an Interconnection and the criteria used to identify one. By contrast, the currently-effective Glossary definition specifically identifies the geographical areas in North America that constitute an Interconnection: the Eastern, Western,

and ERCOT Interconnections. In April 2014, FERC approved a revised Glossary definition of Interconnection to include the Quebec Interconnection, to become effective July 1, 2016.¹⁸

Although the definitions for Interconnection explain the concept differently, the definitions are consistent with each other and Section 215 of the FPA. Therefore, there is a benefit to combining both the conceptual and specific definitions into one comprehensive definition for both the Rules of Procedure and the Glossary. NERC proposes to combine the currently-effective Rules of Procedure definition and the approved, but not yet effective Glossary definition as shown below:

A geographic area in which the operation of Bulk Power System components is synchronized such that the failure of one or more of such components may adversely affect the ability of the operators of other components within the system to maintain Reliable Operation of the Facilities within their control. When capitalized, any one of the four major electric system networks in North America: Eastern, Western, ERCOT and Quebec.

NERC proposes corresponding changes to the Rules of Procedure, as discussed in that filing.

C. “Group 3” Terms: Revisions to Align Capitalization of Terms within the Definition Narrative

NERC proposes revisions to 19 total terms in the Glossary to align the capitalization of defined terms within the definition narrative to the capitalization of those terms in the Rules of Procedure definitions.¹⁹ In determining whether to capitalize an internal term that is also defined in the Glossary, the standard drafting team reviewed the usage of the internal term to determine whether it was intended to be used according to its defined meaning in the definition narrative. In

¹⁸ See Order No. 810, *Real Power Balancing Control Performance Reliability Standard*, 151 FERC ¶ 61,048 (2015).

¹⁹ For three of these terms (Point of Receipt, Reliable Operation, and Reserve Sharing Group), NERC separately proposes capitalization revisions to the Rules of Procedure definitions.

addition, the standard drafting team reviewed internal terms that are capitalized to ensure that they are in fact defined terms, and made revisions where they were not. The proposed capitalization changes described in this section are not intended to alter the substance of any defined term or alter any obligation to comply with the Reliability Standard in which the defined term is used.

1. Blackstart Resource

NERC is proposing to align the Glossary definition of Blackstart Resource to the definition in the Rules of Procedure by capitalizing the phrase “Real and Reactive Power” within the definition narrative as follows:

A generating unit(s) and its associated set of equipment which has the ability to be started without support from the System or is designed to remain energized without connection to the remainder of the System, with the ability to energize a bus, meeting the Transmission Operator’s restoration plan needs for ~~real~~ Real and ~~reactive~~ Reactive power Power capability, frequency and voltage control, and that has been included in the Transmission Operator’s restoration plan.

The terms Real Power and Reactive Power are defined in the Glossary. Further, as used in the definition of Blackstart Resource, these terms are intended to have the meaning of the defined terms.²⁰ Therefore, it is appropriate to capitalize these terms in the Glossary in order to align the Glossary and Rules of Procedure definitions.

2. Cascading

NERC is proposing to align the Glossary definition of Cascading to the definition in the Rules of Procedure by capitalizing the two terms “System” and “Elements” within the definition narrative as follows:

The uncontrolled successive loss of ~~system~~ System ~~elements~~ Elements triggered by an incident at any location. Cascading results

²⁰ See Summary (Ex. D) Group 3 Terms at 3.

in widespread electric service interruption that cannot be restrained from sequentially spreading beyond an area predetermined by studies.

The terms System and Element are defined in the Glossary. The standard drafting team determined that these terms were intended to be used according to their defined meanings in the definition of Cascading.²¹ Therefore, NERC proposes to align the Rules of Procedure and Glossary definitions of Cascading by capitalizing these terms in the Glossary.

3. Distribution Provider

NERC is proposing to align the Glossary definition of Distribution Provider to the definition in the Rules of Procedure by removing the incorrect capitalization of “Distribution” as follows:

Provides and operates the “wires” between the transmission system and the end-use customer. For those end-use customers who are served at transmission voltages, the Transmission Owner also serves as the Distribution Provider. Thus, the Distribution Provider is not defined by a specific voltage, but rather as performing the ~~Distribution~~ distribution function at any voltage.

As a standalone term, “Distribution” is not a defined term in either the Glossary or the Rules of Procedure. Therefore, this revision is necessary not only for alignment purposes but for correction purposes as well.

4. Element

The proposed definition of Element will align with the definition in the Rules of Procedure by capitalizing the term “Element” within the definition narrative as follows:

Any electrical device with terminals that may be connected to other electrical devices such as a generator, transformer, circuit breaker, bus section, or transmission line. An ~~element~~ Element may be comprised of one or more components.

²¹ *Id.*

In the definition of Element, the term is used to demonstrate a potential characteristic of an Element (i.e., it may be comprised of one or more components). Therefore, it is appropriate to capitalize the term consistently with the definition in the Rules of Procedure.

5. Interconnected Operations Service

NERC proposes capitalizing two defined terms within the Glossary definition of Interconnected Operations Service as follows:

A service (exclusive of basic energy and ~~transmission services~~ Transmission Services) that is required to support the ~~reliable operation~~ Reliable Operation of interconnected Bulk Electric Systems.

Both Transmission Service and Reliable Operation are defined terms in the Glossary. Following a review, the standard drafting team determined that both terms are intended to be used according to their defined meanings within the definition of Interconnected Operations Service.²² Therefore, NERC proposes to align the definitions of Interconnected Operations Service in the Glossary and the Rules of Procedure by capitalizing these two terms.

6. Load-Serving Entity

NERC also proposes to capitalize the defined term “Transmission Service”²³ within the definition of Load-Serving Entity as follows:

Secures energy and ~~transmission service~~ Transmission Service (and related Interconnected Operations Services) to serve the electrical demand and energy requirements of its end-use customers.

This proposed revision to the Glossary will result in aligned definitions of Load-Serving Entity in the Rules of Procedure and the Glossary.

²² *Id.* at 5.

²³ *Id.*

7. Planning Authority

NERC proposes to align the definition of Planning Authority in the Glossary to the definition in the Rules of Procedure through the following proposed revisions:

The responsible entity that coordinates and integrates transmission ~~facility~~ Facilities and service plans, resource plans, and ~~protection~~ Protection systems Systems.

The standard drafting team determined that the terms “Facilities” and “Protection Systems” should be capitalized because they are defined terms in the Glossary and their usage in this definition narrative is intended to have the meaning of the defined terms.²⁴

8. Point of Receipt

NERC is proposing to align the Glossary definition of Point of Receipt to the definition in the Rules of Procedure by removing the incorrect capitalization of “Generator” as follows:

A location that the Transmission Service Provider specifies on its transmission system where an Interchange Transaction enters or a ~~Generator~~ generator delivers its output.

Generator, as a standalone term, is not a defined term in either the Glossary or the Rules of Procedure. Therefore, this revision is necessary not only for alignment purposes but for correction purposes as well.

9. Reactive Power

NERC is proposing to align the Glossary definition of Reactive Power to the definition in the Rules of Procedure through the following revisions:

The portion of electricity that establishes and sustains the electric and magnetic fields of alternating-current equipment. Reactive ~~power~~ Power must be supplied to most types of magnetic equipment, such as motors and transformers. It also must supply the reactive losses on transmission facilities. Reactive ~~power~~ Power is provided by generators, synchronous condensers, or electrostatic equipment such as capacitors and directly influences electric system

²⁴ See Summary (Ex. D) Group 3 Terms at 5.

voltage. It is usually expressed in kilovars (kvar) or megavars (Mvar).

The standard drafting team determined that it is appropriate to capitalize “Power” because “Reactive Power” is the defined term. Further, as the definition narrative refers to what Reactive Power is, its usage in this definition narrative is intended to have the meaning of the defined term.²⁵

10. Real Power

NERC proposes to capitalize the defined term “Load” within the definition of Real Power as follows:

The portion of electricity that supplies energy to the ~~load~~ Load.

It is appropriate to capitalize the term “Load” within this definition narrative because it is a defined term and its usage in this definition narrative is intended to have the meaning of the defined term. Specifically, in the definition narrative of Real Power, use of the word “load” is intended to mean an end-use device or customer.²⁶ This proposed revision to the Glossary will result in aligned definitions of Real Power in the Rules of Procedure and the Glossary.

11. Reliability Coordinator

NERC is proposing to align the Glossary definition of Reliability Coordinator to the definition in the Rules of Procedure by capitalizing the term “Reliable Operation” as follows:

The entity that is the highest level of authority who is responsible for the ~~reliable~~ Reliable operation ~~operation~~ Operation of the Bulk Electric System, has the Wide Area view of the Bulk Electric System, and has the operating tools, processes and procedures, including the authority to prevent or mitigate emergency operating situations in both next-day analysis and real-time operations. The Reliability Coordinator has the purview that is broad enough to enable the calculation of Interconnection Reliability Operating Limits, which

²⁵ *Id.* at 6.

²⁶ *Id.*

may be based on the operating parameters of transmission systems beyond any Transmission Operator’s vision.

The standard drafting team determined that it is appropriate to capitalize “Reliable Operation” because it is a defined term and its usage in the definition narrative is intended to have the meaning of the defined term.²⁷

12. Reliable Operation

As noted above in Section IV.A.1, NERC is proposing to modify the definition of “Bulk-Power System” to “Bulk Power System.” Therefore, NERC also proposes to replace “Bulk-Power System” with “Bulk Power System” in the definition of Reliable Operation.²⁸

As described in the ROP Filing, NERC is also proposing revisions to the capitalization of terms in the Rules of Procedure definition of Reliable Operation to be consistent with the capitalization of those terms in the Glossary.

13. Reserve Sharing Group

NERC is proposing to align the Glossary definition of Reserve Sharing Group to the definition in the Rules of Procedure by removing the incorrect capitalization of “Disturbance Control Performance” and “Areas” as follows:

A group whose members consist of two or more Balancing Authorities that collectively maintain, allocate, and supply operating reserves required for each Balancing Authority’s use in recovering from contingencies within the group. Scheduling energy from an Adjacent Balancing Authority to aid recovery need not constitute reserve sharing provided the transaction is ramped in over a period the supplying party could reasonably be expected to load generation in (e.g., ten minutes). If the transaction is ramped in quicker (e.g., between zero and ten minutes) then, for the purposes of ~~Disturbance~~ disturbance Control control Performance performance, the ~~Areas~~ areas become a Reserve Sharing Group.

²⁷ *Id.* at 7.

²⁸ NERC also notes that it will remove the brackets offsetting the capitalized form of the term “Bulk-Power System” or “Bulk Power System.” *See supra* n. 33.

Disturbance control performance is not a defined term in either the Glossary or the Rules of Procedure, nor is the term “Area”. Therefore, these revisions are necessary not only for alignment purposes but for correction purposes as well.

To achieve complete alignment, NERC separately proposes minor grammatical revisions to the Rules of Procedure definition.

14. Resource Planner, Transmission Planner

As described above, “Area” is not a defined term, nor is the term “Planning Authority Area”. Therefore, NERC proposes to revise the capitalization of the term “Area” in the Glossary definitions of Resource Planner and Transmission Planner as follows:

Resource Planner: The entity that develops a long-term (generally one year and beyond) plan for the resource adequacy of specific loads (customer demand and energy requirements) within a Planning Authority ~~Area~~ area.

Transmission Planner: The entity that develops a long-term (generally one year and beyond) plan for the reliability (adequacy) of the interconnected bulk electric transmission systems within its portion of the Planning Authority ~~Area~~ area.

These revisions will result in the alignment of these definitions in the Glossary and Rules of Procedure.

15. Transmission Customer, Transmission Service Provider

NERC proposes two revisions to the Glossary definition of the term “Transmission Customer” to align to the definition in the Rules of Procedure, as shown below:

1. Any eligible customer (or its designated agent) that can or does execute a ~~transmission~~ Transmission ~~service~~ Service agreement or can or does receive ~~transmission~~ Transmission ~~service~~ Service.
2. Any of the following ~~responsible~~ entities: Generator Owner, Load-Serving Entity, or Purchasing-Selling Entity.

First, NERC proposes to capitalize “transmission service”, as it is a defined term in the Glossary and its usage in this definition is intended to have the meaning of the defined term.²⁹ Second, NERC proposes to remove the word “responsible” from the second part of the definition referring to “responsible entities”. The word “responsible” was originally included in the Rules of Procedure definition, but was recently removed as part of the Risk-Based Registration project.³⁰ The Glossary definition should be updated to reflect these recent changes.

Similarly, NERC proposes to capitalize the term “Transmission Service” in the Glossary definition of Transmission Service Provider, as shown below:

The entity that administers the transmission tariff and provides Transmission Service to Transmission Customers under applicable ~~transmission~~ Transmission service Service agreements.

16. Transmission Operator, Transmission Owner

NERC proposes to capitalize the term “Facilities” in the definition of Transmission Operator and Transmission Owner to align with the definitions in the Rules of Procedure.

Transmission Operator: The entity responsible for the reliability of its “local” transmission system, and that operates or directs the operations of the transmission ~~facilities~~ Facilities.

Transmission Owner: The entity that owns and maintains transmission ~~facilities~~ Facilities.

The term Facility is a defined term in the Glossary and the Rules of Procedure and its usage in these definition narratives is intended to have the meaning of the defined term.³¹

D. Group 4: Revisions to Align Definitions by Correcting Minor Differences

In the Glossary term Interchange Authority, NERC proposes to insert the term “the” between “authorizes” and “implementation” to align the definition to that in the Rules of

²⁹ See Summary (Ex. D) Group 3 Terms at 9-10.

³⁰ See RBR Filing at Exhibit B.

³¹ See Summary (Ex. D) Group 3 Terms at p. 9-10.

Procedure:

The responsible entity that authorizes the implementation of valid and balanced Interchange Schedules between Balancing Authority Areas, and ensures communication of Interchange information for reliability assessment purposes.

A second errata change is separately proposed to the Rules of Procedure definition to achieve complete alignment in the definitions.

E. Proposed Implementation Plan

As described in detail above, the revisions proposed to the Glossary terms addressed in this filing are intended to provide for consistent, aligned definitions of terms used in both the Glossary and the Rules of Procedure. The proposed revisions do not affect the scope, intent, or meaning of the Reliability Standards in which these terms are used. Therefore, the proposed implementation plan, attached hereto as **Exhibit B**, provides that the revised definitions would become effective the first day of the first calendar quarter beyond the date that the definitions are approved by applicable regulatory authorities, but no earlier than 07/01/2016, or in those jurisdictions where regulatory approval is not required, the definitions become effective on the first day of the first calendar quarter beyond the date this standard is approved by the NERC Board of Trustees, but no earlier than 07/01/2016, or as otherwise made effective pursuant to the laws applicable to such governmental authorities. However, because the proposed definition of Interconnection combines a currently-effective definition in the Rules of Procedure with a Glossary definition that will not become effective until July 1, 2016, the proposed implementation plan provides that the revised terms shall not become effective earlier than July 1, 2016.

V. CONCLUSION

For the reasons set forth above, NERC respectfully requests:

- approval of the revised definitions for the Glossary defined terms set forth in Exhibit A;
- approval of the implementation plan attached hereto as Exhibit B; and
- approval of the retirement of the currently-effective definitions of Glossary terms discussed herein and, in the case of Interconnection, the currently-effective definition and the definition scheduled to become effective on July 1, 2016.

Respectfully submitted,

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EXHIBITS A – B and D – G

(Available on the NERC Website at

[http://www.nerc.com/FilingsOrders/ca/Canadian%20Filings%20and%20Orders%20DL/Project%202015-04%20Alignment%20of%20Terms%20\(Glossary\)%20exhibits.pdf](http://www.nerc.com/FilingsOrders/ca/Canadian%20Filings%20and%20Orders%20DL/Project%202015-04%20Alignment%20of%20Terms%20(Glossary)%20exhibits.pdf)

EXHIBIT C

Reliability Standards Criteria

The discussion below identifies explains how the proposed revised definitions for the defined terms in the *Glossary of Terms Used in NERC Reliability Standards (Exhibit A)* have met or exceeded the Reliability Standards criteria.

1. Proposed Reliability Standards must be designed to achieve a specified reliability goal and must contain a technically sound means to achieve that goal.

The proposed revised definitions achieve the specific reliability goal of providing the users, owners, and operators of the Bulk-Power System, as well as the ERO Enterprise, with a better understanding of the terminology used in the Glossary and the Rules of Procedure, thereby facilitating the consistent interpretation and application of defined terms and avoiding confusion or misunderstanding. The proposed revised definitions achieve this goal by eliminating unnecessary differences in capitalization, substance, and punctuation in the definitions of terms found in both the Glossary and the Rules of Procedure.

2. Proposed Reliability Standards must be applicable only to users, owners and operators of the bulk power system, and must be clear and unambiguous as to what is required and who is required to comply.

The applicability of the Reliability Standards in which the proposed revised terms are used remains unchanged. The proposed revised terms improve the clarity of each of the Reliability Standards in which those terms are used by facilitating consistent interpretations and applications of those terms.

- 3. A proposed Reliability Standard must include clear and understandable consequences and a range of penalties (monetary and/or non-monetary) for a violation.**

NERC does not propose changes to any Violation Risk Factor (“VRF”) or Violation Severity Level (“VSL”) associated with a Reliability Standard in which the proposed revised terms are used. Accordingly, the VRFs and VSLs for each of those standards continue to comport with NERC and FERC guidelines related to their assignment and include clear and understandable consequences.

- 4. A proposed Reliability Standard must identify clear and objective criterion or measure for compliance, so that it can be enforced in a consistent and non-preferential manner.**

NERC does not propose changes to any Measures in any of the Reliability Standards in which the proposed revised terms are used. Accordingly, the existing Measures for those standards continue to help provide clarity regarding how the requirements will be enforced, and they continue to help ensure that the requirements will be enforced in a clear, consistent, and non-preferential manner and without prejudice to any party.

- 5. Proposed Reliability Standards should achieve a reliability goal effectively and efficiently — but do not necessarily have to reflect “best practices” without regard to implementation cost or historical regional infrastructure design.**

The proposed revised definitions achieve the reliability goal of facilitating consistent interpretation and application of defined terms. The proposed revised definitions contain alignment revisions that will reduce or eliminate any confusion that may result from having different definitions of defined terms in the Glossary and the Rules of Procedure. The proposed revisions are limited to those necessary to align the terms, and thus achieve the reliability goal effectively and efficiently.

- 6. Proposed Reliability Standards cannot be “lowest common denominator,” i.e., cannot reflect a compromise that does not adequately protect Bulk-Power System reliability. Proposed Reliability Standards can consider costs to implement for smaller entities, but not at consequences of less than excellence in operating system reliability.**

The proposed revised definitions do not reflect a “lowest common denominator” approach. To the contrary, the proposed revised definitions represent an improvement over the current definitions which may contain inconsistent capitalization and other differences from those same terms used in the Rules of Procedure, potentially creating confusion as to the proper interpretation and application of those terms. The proposed revisions were informed by a comprehensive review of each term by the standard drafting team and benefited from the feedback received from stakeholders on the entire suite of proposed revisions to the Glossary and the Rules of Procedure.

- 7. Proposed Reliability Standards must be designed to apply throughout North America to the maximum extent achievable with a single Reliability Standard while not favoring one geographic area or regional model. It should take into account regional variations in the organization and corporate structures of transmission owners and operators, variations in generation fuel type and ownership patterns, and regional variations in market design if these affect the proposed Reliability Standard.**

The Reliability Standards in which the proposed revised terms are used continue to apply in the same manner.

- 8. Proposed Reliability Standards should cause no undue negative effect on competition or restriction of the grid beyond any restriction necessary for reliability.**

The proposed revised definitions will not cause undue negative effect on competition or result in any unnecessary restrictions.

9. The implementation time for the proposed Reliability Standard is reasonable.

The proposed effective dates for the proposed revised definitions are just and reasonable. NERC proposes an effective date of the first day of the first calendar quarter beyond the date that the definitions are approved by applicable regulatory authorities, but no earlier than 07/01/2016, or in those jurisdictions where regulatory approval is not required, the definitions become effective on the first day of the first calendar quarter beyond the date this standard is approved by the NERC Board of Trustees, but no earlier than 07/01/2016, or as otherwise made effective pursuant to the laws applicable to such governmental authorities.. This proposed effective date reflects that the proposed revisions would not affect the scope, intent, or meaning of any Reliability Standard in which the terms are used. However, because the proposed definition of Interconnection combines a currently-effective definition in the Rules of Procedure with a Glossary definition that will not become effective until July 1, 2016, the proposed implementation plan provides that the revised terms shall not become effective earlier than July 1, 2016.

10. The Reliability Standard was developed in an open and fair manner and in accordance with the Commission-approved Reliability Standard development process.

The proposed revised definitions were developed in accordance with NERC's ANSI-accredited processes for developing and approving Reliability Standards.³² **Exhibit F** includes as summary of the development proceedings and details the processes followed to develop the proposed revised definitions. These processes included, among other things, comment and ballot

³² See NERC Rules of Procedure, Section 300 (Reliability Standards Development) and Appendix 3A (Standard Processes Manual).

periods. Additionally, all meetings of the standard drafting team were properly noticed and open to the public.

11. NERC must explain any balancing of vital public interests in the development of proposed Reliability Standards.

NERC has identified no competing public interests regarding the request for approval of the proposed revised definitions. No comments were received that indicated the proposed revised definitions conflict with other vital public interests.

12. Proposed Reliability Standards must consider any other appropriate factors.

No other factors relevant to whether the proposed revised definitions are just and reasonable were identified.