

January 13, 2016

**VIA ELECTRONIC FILING**

Veronique Dubois  
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RE: *North American Electric Reliability Corporation*

Dear Ms. Dubois:

The North American Electric Reliability Corporation ("NERC") hereby submits North American Electric Reliability Corporation Informational Filing of Reliability Standards Development Plan 2016-2018. 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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Enclosure

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**BEFORE THE  
RÉGIE DE L'ÉNERGIE  
THE PROVINCE OF QUÉBEC**

**NORTH AMERICAN ELECTRIC )  
RELIABILITY CORPORATION )**

**NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION  
INFORMATIONAL FILING OF RELIABILITY STANDARDS DEVELOPMENT PLAN  
2016-2018**

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January 13, 2016

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**Attachment A**      *Reliability Standards Development Plan: 2016-2018*

**BEFORE THE  
RÉGIE DE L'ÉNERGIE  
THE PROVINCE OF QUÉBEC**

**NORTH AMERICAN ELECTRIC )  
RELIABILITY CORPORATION )**

**NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION  
INFORMATIONAL FILING OF RELIABILITY STANDARDS DEVELOPMENT PLAN  
2016-2018**

The North American Electric Reliability Corporation (“NERC”) hereby submits its 2016-2018 Reliability Standards Development Plan (“2016 Development Plan”) in accordance with Section 310 of the NERC *Rules of Procedure*.<sup>1</sup> The 2016 Development Plan, included herein as **Attachment A**, provides a status update on active development projects, a forecast of future work to be undertaken by industry participants and NERC throughout the upcoming year, and an analysis comparing completed projects and development accomplishments with the prior year’s Reliability Standards Development Plan (“RSDP”). The NERC Board of Trustees (“NERC Board”) approved the 2016 Development Plan on November 5, 2015. NERC submits this filing and attached 2016 Development Plan for informational purposes only.

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<sup>1</sup> Section 310 of NERC’s *Rules of Procedure* requires NERC to develop and provide an annual Reliability Standards Development Plan for development of Reliability Standards to the applicable governmental authorities. Under that Section, NERC is also required to consider comments and priorities of the applicable governmental authorities in any updates made to the plan, and the plan should compare current accomplishments with the prior plan. See NERC’s Rules of Procedure, accessible online at: <http://www.nerc.com/AboutNERC/Pages/Rules-of-Procedure.aspx>.

## **I. NOTICES AND COMMUNICATIONS**

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

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## **II. BACKGROUND**

Pursuant to Section 310 of the NERC Rules of Procedure, NERC developed an initial version of a plan for Reliability Standards development, entitled the *Reliability Standards Development Plan: 2007–2009*. NERC has since updated the plan annually, and the 2016-2018 version of the plan is presented in this filing. Consistent with previous versions, the 2016 Development Plan is filed for informational purposes and no specific action is requested at this time.

The 2016 Development Plan is intended to:

1. Serve as a management tool to guide and coordinate the development of Reliability Standards and provide benchmarks for assessing progress;
2. Serve as a communications tool for coordinating standards development work with applicable governmental agencies in the United States and Canada and for engaging stakeholders in Reliability Standards development activities; and
3. Provide a basis for developing annual plans and budgets for the NERC Reliability Standards Program.

As with each prior RSDP, NERC obtained industry input on the 2016 Development Plan, including input on potential future Reliability Standards development projects and the use of the

Enhanced Periodic Reviews (“EPRs”) template.<sup>2</sup> As detailed in Section III, NERC submits this filing to summarize the 2016 Development Plan and inform the applicable governmental authorities and other interested parties of revisions to project timelines and completion dates forecasted in the 2015 Development Plan that are reflected in the 2016 Development Plan, as well as any updates to timing of project development since NERC Board approval of the 2016 Development Plan.

### **III. 2016 DEVELOPMENT PLAN**

#### **A. Summary of 2016 Development Plan**

Created based on input received from industry participants, the 2016 Development Plan continues the work initiated by the 2015 Development Plan necessary to bring the NERC Reliability Standards to “steady-state”<sup>3</sup> and builds upon the foundation established by previous plans. Specifically, the 2016 Development Plan identifies the current plans and priorities for development and modification of NERC Reliability Standards in the immediate three-year time horizon.

Along with planned progress towards “stead-state,” the 2016 Development Plan includes projects to address emerging risks, new and remaining Federal Energy Regulatory Commission (“FERC”) directives, Paragraph 81<sup>4</sup> criteria adjustments, and standards authorization requests

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<sup>2</sup> The Enhanced Periodic Review (“EPRs”) Template fulfills the February 6, 2014 request from the NERC Board for NERC management and the leadership of the Standards Committee (“SC”) to develop a mutually-acceptable metric for 2015-2017, including a content and quality grading system for the Reliability Standards. The SC approved an EPR template on September 30, 2014. This was presented to the NERC Board on November 12, 2014 as part of the SC’s update. The template includes background information and questions to guide a comprehensive review of the standard(s) by the review team and it serves as documentation of the review team’s considerations and recommendations.

<sup>3</sup> For the purposes of the 2016 RSDP, “steady-state” means a stable set of clear, concise, high-quality, and technically sound Reliability Standards that are results based.

<sup>4</sup> “Paragraph 81” refers to Paragraph 81 of FERC’s March 15, 2012 Order issued on NERC’s Find, Fix and Track process. *N. Am. Elec. Reliability Corp.*, 138 FERC ¶ 61,193, at P 81, *order on reh’g and clarification*, 139 FERC ¶ 61,168 (2012) (“The Commission is interested in obtaining views on whether such requirements could be

("SARs"). As described by the 2016 Development Plan, NERC anticipates that the majority of its work over the next three years will derive from EPRs. These EPRs will continue at a measured pace, as NERC plans to complete a number of reviews each year while aligning these reviews with several strategic considerations to review the quality and content of standards in an efficient, effective manner. The 2016 Development Plan provides an overview of each Reliability Standard or standard family that is a candidate for review through the EPR process as NERC continues its work towards steady state, and it highlights prioritization of all future projects with consideration of, among other things, communication with NERC's Reliability Issues Steering Committee ("RISC"), potential FERC directives, and industry input.<sup>5</sup>

As reflected by various status updates since the 2016 Development Plan was approved by the NERC Board, described in more detail in the footnotes below, NERC anticipates that the Reliability Standards development work outlined in the 2016 Development Plan will be dynamic and will be updated periodically as projects are completed or as new needs are identified and projects are considered. NERC also recognizes Reliability Standards development in 2016 may require flexibility in planning to ensure that activities are given appropriate resources and priority.

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removed from the Reliability Standards with little effect on reliability and an increase in efficiency of the ERO compliance program. If NERC believes that specific Reliability Standards or specific requirements within certain Standards should be revised or removed, we invite NERC to make specific proposals to the Commission identifying the Standards or requirements and setting forth in detail the technical basis for its belief...").

<sup>5</sup> In 2013, NERC retained five industry experts to independently review the NERC Reliability Standards, setting the foundation for a plan that will result in a set of clear, concise and sustainable body of Reliability Standards. Their report is available at: [http://www.nerc.com/pa/Stand/Standards%20Development%20Plan%20Library/Standards\\_Independent\\_Experts\\_Review\\_Project\\_Report.pdf](http://www.nerc.com/pa/Stand/Standards%20Development%20Plan%20Library/Standards_Independent_Experts_Review_Project_Report.pdf).

## **B. Project Schedule and Timeline Updates**

### **1. 2015 Progress Report**

Below is an update on the status of projects identified in the 2015 Development Plan. The 2015 Development Plan identified sixteen (16) projects that would be initiated in 2015 or continue from 2014. Since creation of the 2015 Development Plan, some projects have been added, modified, or truncated based on resource availability, strategy, or efficiency.

According to the 2016 Development Plan, the following fourteen (14) projects were identified in the 2015 Development Plan and for completion in 2015 (any revisions to the originally forecasted schedule for these projects are footnoted below, as applicable):

- Project 2007-06 System Protection Coordination (PRC-027-1)<sup>6</sup>
- Project 2007-06.2 System Protection Coordination (PRC-001)<sup>7</sup>
- Project 2008-02.2 Phase 2 Undervoltage Load Shedding (UVLS) Misoperations (PRC-004 and PRC-010)
- Project 2010-14.1 Phase 1 Balancing Authority Reliability-based Controls: Reserves (BAL-002)<sup>8</sup>
- Project 2010-14.2.1 Phase 2 Balancing Authority Reliability-based Controls (BAL-005, BAL-006)<sup>9</sup>
- Project 2010-14.2.2 Phase 2 Balancing Authority Reliability based Controls (BAL-004)<sup>10</sup>
- Project 2014-02 Critical Infrastructure Protection (CIP-003-6, CIP-004-6, CIP-007-6, CIP-010-2, CIP-011-2)
- Project 2014-03 Transmission Operations (TOP-001-3)
- Project 2015-02 Periodic Review of EOP Standards (EOP-004, EOP-005, EOP-006, and EOP-008)
- Project 2014-01 Standards Applicability for Dispersed Generation Resources
- Project 2014-04 Physical Security Directives<sup>11</sup>

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<sup>6</sup> Based on stakeholder feedback and timing associated with the NERC standard development procedures, Project 2007-06 has been rescheduled for NERC Board approval in the first half of 2016.

<sup>7</sup> Based on stakeholder feedback and timing associated with the NERC standard development procedures, Project 2007-06.2 has been rescheduled for NERC Board approval at a later date.

<sup>8</sup> Development in Project 2010-14.1 was completed in November 2015, and the standard and associated documents are being prepared for submission to the applicable governmental authorities in early 2016.

<sup>9</sup> Based on stakeholder feedback and timing associated with the NERC standard development procedures, Project 2010-14.2.1 has been rescheduled for NERC Board approval in the first half of 2016.

<sup>10</sup> Based on stakeholder feedback and timing associated with the NERC standard development procedures, Project 2010-14.2.2 has been rescheduled for NERC Board approval in the first half of 2016.

<sup>11</sup> Project 2014-04 was reopened to address a directive from FERC Order No. 802, issued on November 20, 2014. Because the timing was relatively short between filing and approval of the original standard, the same standard drafting team was kept in place and the original SAR revised.



- Project 2015-03 Periodic Review of System Operating Limit Standards (FAC-010, FAC-011, and FAC-014)
- Project 2015-04 Alignment of NERC Glossary of Terms used in NERC Reliability Standards and the Definitions Used in the Rules of Procedure
- Project 2015-06 Interconnection Reliability Operations and Coordination<sup>12</sup>

The following projects were initiated in 2015 in response to FERC directives and were completed during 2015:

- Project 2007-17.4 PRC-005 FERC Order No. 803 Directive<sup>13</sup>
- Project 2010-04.1 MOD-031 FERC Order No. 804 Directive<sup>14</sup>

In addition to these projects, the 2016 Development Plan anticipates that eight (8) projects will be continued from 2015 into 2016. Notwithstanding the most recent updates to project statuses provided in the footnotes above, development under the following projects will continue into 2016:

- Project 2009-02 Real-time Reliability Monitoring and Analysis Capabilities
- Project 2015-07 Internal Communications Capabilities FERC Order No. 808 Directive
- Project 2010-07.1 Vegetation Management (FAC-003)
- Project 2015-10 Single Points of Failure (TPL-001)
- Project 2010-05.3 Phase 3 of Protection Systems Remedial Action Schemes (RAS)
- Project 2014-02 Critical Infrastructure Protection
- Project 2015-06 Emergency Operations
- Project 2015-09 System Operating Limits

## **2. Prioritization of 2016 Projects**

For each new Reliability Standard Project listed in the 2016 Development Plan, the SC has assigned a priority of either high, medium, low, or pending technical committee input. These

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<sup>12</sup> Because Project 2015-06 was put on hold until Project 2014-03 (TOP/IRO Revisions) was filed with the applicable governmental authorities, development began during the second quarter of 2015 and will continue until completion.

<sup>13</sup> Project 2007-17.4 was initiated in 2015 in response to a directive from FERC Order No. 803 (150 FERC ¶ 61,039), issued on January 22, 2015. Because the timing was relatively short between filing and approval of the original standard, the same standard drafting team was kept in place and the original SAR was revised.

<sup>14</sup> Project 2010-04.1 was initiated in 2015 in response to a directive from FERC Order No. 804 (150 FERC ¶ 61,109), issued on February 19, 2015. Because the timing was relatively short between filing and approval of the original standard, the same standard drafting team was kept in place and the original SAR was revised.

rankings are in addition to priority assignments made in previous plans, and the assignments are based on, among other things, RISC Category Rankings, regulatory directives, regulatory deadlines, Reliability Standards that are candidates for retirement, and recommendations from the IEPR report. The following projects, which were not prioritized in previous plans, have been categorized as High priority:

- Project 2009-02 Real-time Reliability Monitoring and Analysis Capabilities<sup>15</sup>
- Project 2015-07 Internal Communications Capabilities FERC Order No. 808 Directive
- Project 2010-07.1 FAC-003 Vegetation Management
- Project 2015-10 Single Points of Failure TPL-001.

The following projects, including Project 2014-02 which was prioritized as Medium in the 2015 Development Plan, have been categorized as Medium priority on a going forward basis:

- Project 2010-05.3 Phase 3 of Protection Systems- remedial action schemes (RAS)<sup>16</sup>
- Project 2014-02 Critical Infrastructure Protection
- Project 2015-08 Emergency Operations
- Project 2015-09 System Operating Limits.

There are no currently active projects that have been identified as Low priority.

### **3. Projects to Be Initiated in 2016**

As explained in the 2016 Development Plan, NERC does not anticipate development of any specific projects in 2016; rather, projects will be initiated based on either (i) EPR recommendations for existing standards, (ii) emerging risks identified by FERC, the Reliability Issues Steering Committee, NERC, or industry participants, (iii) interpretations<sup>17</sup>, or (iv) modifications to existing standards as directed by FERC in future Orders.

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<sup>15</sup> As noted on page 5 of the 2016 Development Plan (included as Attachment A hereto), this project is targeted for NERC Board of Trustee approval in February 2016.

<sup>16</sup> As noted on page 6 of the 2016 Development Plan (included as Attachment A hereto), this project is targeted for NERC Board of Trustee approval in February 2016

<sup>17</sup> Pursuant to Section 7 of the Standard Processes Manual, NERC will continue to accept Requests for Interpretations and submit these requests to the NERC SC so that the committee may decide whether “to accept the request for Interpretation and move forward in responding to the Interpretation request.” If the SC votes to accept

The industry-led SC has prioritized current and upcoming projects, as communicated through prioritization schedules and project plans, to ensure that development moves at a measurable and sustainable pace. As indicated in the 2016 Development Plan, the following standards or standards families are candidates for review through the EPR process, which will take into account revisions necessitated by the Risk-Based Registration initiative and other considerations:

- BAL and INT families (BAL-001 and INT-004, INT-006, INT-009, and INT-010)
- EOP-001, EOP-002, and EOP-003<sup>18</sup>
- EOP-010
- FAC-008-3
- NUC-001-3
- PER-001, PER-003, and PER-004
- PRC families
- VAR-001 and VAR-002

The trend towards an iterative process to continuously monitor and improve existing standards and address recognized risks is indicative of NERC's progress towards "steady-state." The 2016 Development Plan emphasizes this goal and states that as this goal is achieved, Reliability Standards "will continue to be assessed for quality, content or alignment with other standards through EPRs."

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the Interpretation, NERC Standards Staff will act according to Section 7 to initiate development of that interpretation.

<sup>18</sup> Since NERC Board approval of the 2016 Development Plan, FERC approved Reliability Standard EOP-011 and concurrently approved retirement of EOP-001, EOP-002, and EOP-003. As such, these standards will not be reviewed for revision through the EPR process.

#### IV. CONCLUSION

As discussed above, the 2016 Development Plan was developed in accordance with Section 310 of the NERC Rules of Procedure and identifies the current plans and priorities for development and modification of NERC Reliability Standards in the immediate three-year time horizon.

Respectfully submitted,

/s/ Andrew C. Wills

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Date: January 13, 2016

**ATTACHMENT A**  
**RELIABILITY STANDARDS DEVELOPMENT PLAN**  
**2016-2018**

(Available on the NERC Website at

*<http://www.nerc.com/FilingsOrders/ca/Canadian%20Filings%20and%20Orders%20DL/Exhibit%20for%20RSDP%20Filing%202016-2018.pdf>*)