NERC
NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION

January 29, 2014

**VIA ELECTRONIC FILING**

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

**Re: Analysis of NERC Standard Process Results, Fourth Quarter 2013**
**Docket Nos. RR06-1-000, RR09-7-000**

Dear Ms. Bose:

The North American Electric Reliability Corporation ("NERC") hereby submits its Analysis of NERC Standards Process Results for the Fourth Quarter 2013 ("Ballot Results Analysis"). This filing is submitted in response to the Federal Energy Regulatory Commission's ("FERC" or the "Commission") January 18, 2007 Order[1] requiring NERC to closely monitor and report the voting results for NERC Reliability Standards each quarter for three years and the Commission's subsequent order issued on September 16, 2010, whereby the Commission renewed and expanded on its directive for an additional three years.[2]

The Ballot Results Analysis is attached hereto and addresses ballot results during the October 1, 2013 through December 31, 2013 timeframe. It includes NERC's analysis of the voting results, including trends and patterns of stakeholder approval of NERC Reliability Standards. NERC requests that the Commission accept this compliance filing in accordance with the directive in the September 16, 2010 Order to submit quarterly reports for an additional three years from the date of the order, through and including the fourth quarter of 2013.

Respectfully submitted,

*/s/ Stacey Tyrewala*
Stacey Tyrewala

*Senior Counsel for North American Electric Reliability Corporation*

cc: Official service list in Docket No. RR06-1-000; RR09-7-000

[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 (2010).

NERC
NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION

# Analysis of NERC Standards Process Results

Fourth Quarter 2013

RELIABILITY | ACCOUNTABILITY

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# Introduction

## Background: NERC's Revised Process for Developing Standards

NERC develops Reliability Standards in accordance with Section 300 of its Rules of Procedure and the NERC *Standard Processes Manual* ("SPM"), which is included as Appendix 3A to the NERC Rules of Procedure.[1] Revisions to the SPM were approved by the Federal Energy Regulatory Commission ("FERC" or the "Commission") on June 26, 2013.[2]

## This Report

This report is responsive to directives from FERC directing NERC to monitor, analyze, and report on the results of its standards development process.[3]

At the end of each calendar quarter, NERC updates this report by incorporating results from the most recent calendar quarter as part of its effort 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 fourth quarter of 2013. The second section compares timelines for the projects balloted in the fourth quarter of 2013 against baselines provided in the report filed on January 31, 2011, based on the time required 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 use this analysis to monitor successes and to identify opportunities for improvements.

[1] NERC's Rules of Procedure are available at: http://www.nerc.com/AboutNERC/Pages/Rules-of-Procedure.aspx.

[2] *North American Electric Reliability Organization, Order Approving Revisions to Standard Processes Manual,* 143 FERC ¶ 61,273 (2013).

[3] *See Order on Compliance Filing,* 118 FERC ¶ 61,030 (2007). *See also, Order on the Electric Reliability Organization's Three-Year Performance Assessment,* 132 FERC ¶ 61,217 at P 85 (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 Q4 2013 Standards Ballot Results

From October 1, 2013 through December 31, 2013, NERC conducted ballots for thirteen projects encompassing eighteen standards and one definition project for the Bulk Electric System (Phase 2). In addition, NERC conducted eleven non-binding polls of Violation Risk Factors ("VRFs") and Violation Severity Levels ("VSLs").

Of the thirteen projects with ballots conducted in the fourth quarter of 2013, the definition project and two projects encompassing two standards (Project 2013-03: EOP-010-1 and Project 2007-17.2: PRC-005-3) were adopted by the NERC Board of Trustees ("Board") in November 2013. Two of these projects (the definition project and Project 2013-03) were filed and are pending regulatory approval.

Six standards, included in four projects, completed a final ballot and are pending Board adoption. The remaining ten standards were ongoing at the end of the fourth quarter of 2013.

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 Type[5] | Project Number & Name | Q4 Ballot Events | Standard(s) Balloted | Status | Ballot Results |
|---|---|---|---|---|---|
| **New** | Project 2007-06 – System Protection Coordination | Additional Ballot and Non-binding Poll | PRC-027-1 | Ongoing | Quorum: 76.54%<br>Approval: 65.91% |
| **New** | Project 2010-03 – Modeling Data (MOD B) | Additional Ballot and Non-binding Poll | MOD-033-1 | Ongoing | Quorum: 79.84%<br>Approval: 69.42% |
| | | Additional Ballot and Non-binding Poll | MOD-032-1 | Pending Board Adoption | Quorum: 79.05%<br>Approval: 73.46% |
| | | Final Ballot | MOD-032-1 | | Quorum: 87.53%<br>Approval: 77.49% |

[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.

| Project Type[5] | Project Number & Name | Q4 Ballot Events | Standard(s) Balloted | Status | Ballot Results |
|---|---|---|---|---|---|
| **New** | Project 2010-04 – Demand Data (MOD C) | Additional Ballot and Non-binding Poll | MOD-031-1 | Ongoing | Quorum: 80.54%<br>Approval: 57.59% |
| **New** | Project 2013-03 – Geomagnetic Disturbance Mitigation | Additional Ballot and Non-binding Poll | EOP-010-1 | Adopted by Board November 7, 2013 and Filed | Quorum: 77.58%<br>Approval: 88.75% |
| | | Final Ballot | | | Quorum: 86.90%<br>Approval: 91.95% |
| **Revision** | Project 2007-02 – Operating Personnel Communications Protocols | Additional Ballot and Non-binding Poll | COM-002-4 | Ongoing | Quorum: 76.67%<br>Approval: 58.24% |
| **Revision** | Project 2007-17.2 – Protection System Maintenance & Testing Phase 2 | Final Ballot | PRC-005-3 | Adopted by Board November 7, 2013 | Quorum: 85.71%<br>Approval: 85.38% |
| **Revision** | Project 2007-11 – Disturbance Monitoring | Ballot and Non-binding Poll | PRC-002-2 | Ongoing | Quorum: 85.25%<br>Approval: 43.29% |
| **Revision** | Project 2008-12 – Coordinate Interchange Standards | Ballot and Non-binding Poll | INT-004-3<br>INT-010-2 | Ongoing | Quorum/Approval:<br>76.12%/67.35%<br>75.82%/58.03% |
| | | Ballot and Non-binding Poll | INT-006-4<br>INT-009-2<br>INT-011-1 | Pending Board Adoption | Quorum/Approval:<br>75.82%/75.58%<br>75.82%/68.40%<br>75.52%/71.35% |
| | | Final Ballot | INT-006-4 | | Quorum/Approval:<br>85.07%/80.77% |

| Project Type[5] | Project Number & Name | Q4 Ballot Events | Standard(s) Balloted | Status | Ballot Results |
|---|---|---|---|---|---|
| | | | INT-009-2<br>INT-011-1 | | 85.07%/72.86%<br>84.78%/72.91% |
| **Revision** | Project 2010-01 – Training | Additional Ballot and Non-binding Poll | PER-005-2 | Ongoing | Quorum: 76.23%<br>Approval: 56.48% |
| **Revision** | Project 2010-14.1 – Phase 1 of Balancing Authority Reliability-based controls: Reserves | Additional Ballot and Non-binding Poll | BAL-002-2 | Ongoing | Quorum: 75.29%<br>Approval: 64.24% |
| **Revision** | Project 2010-17 – Definition of Bulk Electric System (Phase 2) | Additional Ballot | | Adopted by Board November 7, 2013 and Filed | Quorum: 75.83%<br>Approval: 72.55% |
| | | Final Ballot | | | Quorum: 81.68%<br>Approval: 74.34% |
| **Revision** | Project 2012-05 – ATC Revisions (MOD A) | Additional Ballot and Non-binding Poll | MOD-001-2 | Pending Board Adoption | Quorum: 81.69%<br>Approval: 82.97% |
| | | Final Ballot | MOD-001-2 | | Quorum: 87.16%<br>Approval: 86.40% |
| **Revision** | Project 2013-04 – Voltage and Reactive Control | Additional Ballot and Non-binding Poll | VAR-002-3 | Ongoing | Quorum: 81.06%<br>Approval: 66.09% |
| | | Additional Ballot and Non-binding Poll | VAR-001-4 | Pending Board Adoption | Quorum: 80.81%<br>Approval: 69.43% |
| | | Final Ballot | VAR-001-4 | | Quorum: 84.34%<br>Approval: 75.35% |

Additional details for the projects balloted in the fourth quarter of 2013 are provided below:

- **Project 2007-06 System Protection Coordination:** The Project 2007-06 System Protection Coordination Standard Drafting Team is addressing the planning and non-operational issues identified in the assessment of PRC-001-1 as well as the operating time frame issues identified in FERC Order No. 693. Proposed revisions to PRC-001 include the removal of Requirements R2 and R3 (formerly Requirements R3 and R4 of PRC-001-1). These two legacy requirements are being retired because the aspects of

coordination they address are incorporated in the proposed Reliability Standard PRC-027-1, Protection System Coordination for Performance During Faults.

- **Project 2010-03 – Modeling Data (MOD B):** NERC initiated an informal development process to address the remaining directives related to the existing standards from FERC Order Nos. 890 and 693. Resulting from informal development, two new Reliability Standards are proposed to replace MOD-010 through MOD-015. The proposal includes a combined modeling data standard, MOD-032-1, and a new validation standard to address directives related to validation, MOD-033-1. The proposed standards are related to system-level modeling and validation. Standard MOD-032-1 is a consolidation and replacement of existing MOD-010-0, MOD-011-0, MOD-012-0, MOD-013-1, MOD-014-0, and MOD-015-0.1, and it requires a minimum level of data submission by applicable data owners to their respective Transmission Planners and Planning Coordinators to support the Interconnection model building process in their Interconnection. Standard MOD-033-1 is a new standard that requires each Planning Coordinator to implement a documented process to perform model validation within its planning area.

- **Project 2010-04 – Demand Data (MOD C):** NERC initiated an informal development process to address directives in Order No. 693, to modify certain aspects of the MOD C standards (MOD-016, -017, -018, -019, and -021). MOD-020 will not be addressed with the other standards at this time since they were applicable to the planning horizon. Although a pure data reporting standard would be a candidate for retirement under Paragraph 81, the data being collected has a reliability purpose in the development of future assessments for resource adequacy. The five MOD C standards are being consolidated into a single standard. Creating a single standard provides a means of ensuring data will be collected and shared among the necessary parties (LSEs, BAs, TPs, etc.) in both the United States and Canada.

- **Project 2013-03 – Geomagnetic Disturbance Mitigation:** FERC issued Order No. 779 in May 2013 directing NERC to develop Reliability Standards to address the potential impact of geomagnetic disturbances (GMDs) on the reliable operation of the Bulk-Power System in two stages. The first stage standard requiring GMD operating procedures was approved by the NERC Board of Trustees and filed with regulatory authorities in November 2013. Standards are in development for the second stage which will require entities to conduct GMD vulnerability assessments and develop mitigation strategies.

- **Project 2007-02 – Operating Personnel Communications Protocols – COM-002-4:** The OPCP SDT combined COM-002-3 and COM-003-1 in posting 7 into one standard in order to simplify communications protocols for operating personnel. This construct has been maintained in the posting 8 draft. The OPCP SDT determined that one communications protocols standard that addresses Emergency, alert, and non-emergency situations will improve communications because system operators will not need to refer to a different set of protocols during an emergency situation. The OPCP SDT believes this will improve consistency of communications and mitigate confusion during stressful emergency situations. The OPCP SDT decided to combine the standards under the title COM-002-4 to further reduce confusion. The COM-002-4 title keeps the numbering of COM standards consecutive (*e.g.*, COM-001, COM-002).

  On December 11, 2013, the NERC Standards Committee authorized a waiver of the standard process, in accordance with Section 16 of the Standard Processes Manual, to shorten this comment period from 45 days to 30 days with a ballot during the last 10 days of the comment period to meet the NERC Board of Trustees requested deadline. The standard drafting team is posting this standard for a shortened 30 day formal comment and 10 day Ballot period per the Standards Committee wavier.

- **Project 2007-17.2 – Protection System Maintenance and Testing – Phase 2 (Reclosing Relays):** On February 3, 2012, FERC issued Order No. 758 approving an interpretation of NERC Reliability Standard

PRC-005-1, Transmission and Generation Protection System Maintenance and Testing. In that Order FERC directed that PRC-005-1 be modified to address automatic reclosing (autoreclosing) relays that are either "used in coordination with a Protection System to achieve or meet system performance requirements established in other Commission-approved Reliability Standards, or can exacerbate fault conditions when not properly maintained and coordinated," in which case "excluding the maintenance and testing of reclosing relays will result in a gap in the maintenance and testing of relays affecting the reliability of the Bulk-Power System."

In response to Order No. 758, the NERC Standards Committee accepted a corresponding SAR and assigned to the drafting team. The SDT subsequently requested that the NERC Planning Committee ("PC") provide the technical input necessary to develop the appropriate revisions to PRC-005. The resulting report was approved by the NERC PC and provided to the SDT for guidance in developing PRC-005-3.

- **Project 2007-11 – Disturbance Monitoring:** Project 2007-11 was initiated to address an existing "fill in the blank" standard. FERC did not approve or remand PRC-002-1 in Order No. 693 because the standard contained requirements that applied to the Regional Reliability Organization and did not specifically identify performance requirements for registered entities. FERC did approve PRC-018-1 in Order 693. Similar to PRC-002-1, PRC-018-1 contained Regional Reliability Organization requirements, but FERC stated that the requirements are clear enough to be enforced. This project intends to address FERC concerns in Order 693, specifically the "fill in the blank" aspects in both standards.

  Project 2007-11 combines two Standards: PRC-002-2 — Disturbance Monitoring and Reporting Requirements and PRC-018-1 — Disturbance Monitoring Equipment Installation and Data. Requirements in PRC-018-1 will be reviewed using the Paragraph 81 criteria, and the remaining relevant requirements will be captured in PRC-002-2. PRC-018-1 will be retired upon approval of PRC-002-2. The consolidation of these two Standards will result in a Standard that fully addresses what is necessary to capture power system disturbance data. PRC-002-2 addresses the recording (data), not "how" the data is recorded, thus eliminating the complications that arise from the inherent differences between regional power systems.

- **Project 2008-12 – Coordinate Interchange Standards:** Project 2008-12 was developed to revise the set of Coordinate Interchange standards to ensure that each requirement is assigned to an appropriate reliability entity and to address the Interchange Subcommittee concerns related to the Dynamic Transfers and Pseudo-ties. The drafting team also addressed previously identified stakeholder comments and applicable directives from Order 693 and brought the set of standards into conformance with the latest versions of the Reliability Standards Development Procedure, ERO Sanctions Guidelines and Uniform Compliance Monitoring and Enforcement Program. The requirements were evaluated with respect to Paragraph 81 applicability and the drafting team also considered the recommendations of the Industry Expert Review Panel. The INT standards will be submitted to the Board of Trustees for adoption.

- **Project 2010-01 – Training:** NERC initiated an informal development process to address seven outstanding directives from FERC Order Nos. 693 and 742 related to PER-002 Operating Personnel Training, which has been retired and superseded by PER-005 – System Personnel Training. The proposed standard (PER-005-2) extends the applicability to certain GOPs, support personnel, and TOs, excluding EMS support personnel. The proposed standard was drafted to provide maximum flexibility to industry while addressing the reliability concerns in the FERC directives. Under the proposed standard, each entity has the ability to identify its reliability-related tasks, determine which of its personnel conduct those tasks, and determine the appropriate training and level of training for each employee.

- **Project 2010-14.1 – Phase 1 of Balancing Authority Reliability-based Controls: Reserves BAL-002-2:** Since loss of generation occurrences so often impact all Balancing Authorities throughout an Interconnection, BAL-002 was created to specify recovery actions and time frames. The original Standards Authorization Request (SAR) approved by the Industry presumes there is presently sufficient contingency reserve in all the North American Interconnections. The underlying goal of the SAR was to update the Standard to make the measurement process more objective and to provide information to the Balancing Authority or Reserve Sharing Group such that the parties would better understand the use of contingency reserve to balance resources and demand following a Reportable Contingency Event. The primary objective of BAL-002-2 is to measure the success of recovering from contingency events.

- **Project 2010-17 – Definition of Bulk Electric System (Phase 2):** On December 20, 2012, FERC issued Order No. 773, approving the definition of "Bulk Electric System" filed as a result of Phase 1 of the Definition of Bulk Electric System project. In Order No. 773, as clarified in Order 773-A, FERC directed NERC to: (1) modify the exclusions for radial systems (Exclusion E1) and local networks (Exclusion E3) so that they do not apply to tie-lines, i.e. generator interconnection facilities, for BES generators; and (2) modify the local network exclusion to remove the 100 kV minimum operating voltage to allow systems that include one or more looped configurations connected below 100 kV to be eligible for the local network exclusion.

  On May 23, 2013, NERC filed a motion with FERC, requesting that the effective date of Order 773 be extended by one year, from July 1, 2013 to July 1, 2014. On June 6, 2013, FERC granted this request. In its order, FERC stated that "NERC should submit a filing that includes proposed modifications to comply with the directives pertaining to exclusions E1 and E3 as soon as possible prior to December 31, 2013. Any delay in the submission of a filing that addresses the responsive modifications could impede the Commission's ability to act on the directives prior to July 1, 2014." Phase 2 of the project was initiated to develop appropriate technical justification to support refinements to the definition that were suggested by stakeholders during Phase I, and to refine the definition as technically justified. In addition, during Phase 2 the drafting team will address FERC's directives from Orders 773 and 773-A.

- **Project 2012-05 – ATC Revisions (MOD A):** NERC initiated an informal development process to address directives in Order No. 729 to modify certain aspects of the MOD A standards (MOD-001-1a, MOD-004-1, MOD-008-1, MOD-028-1, MOD-029-1a, and MOD-030-2). The proposed standard, MOD-001-2, consolidates the MOD A standards into a single standard covering only the reliability-related impact of ATC and AFC calculations, such as the need for Transmission Service Providers (TSPs) to implement their ATC calculations in a consistent manner and share ATC data with neighboring TSPs or other entities who need such data for reliability purposes. The consolidated approach is intended to maintain NERC's focus on developing and retaining requirements that support the reliable operation of the Bulk-Power System.

- **Project 2013-04 Voltage and Reactive Control (VAR):** The VAR Reliability Standards (VAR-001 and VAR-002) provide the minimum requirements for maintaining voltage stability on the Bulk-Power System. The industry considers VAR-001 to represent transmission requirements for monitoring the reactive power performance of the system, and VAR-002 represents generator obligations for voltage support. When the VAR standards were approved in FERC Order No. 693, the Commission issued several directives with regard to how to improve the standard. The proposed VAR standards were drafted in a manner that would accomplish three objectives: 1) address the FERC directives; 2) mitigate compliance issues for generators in VAR-002; and 3) simplify the TOP's requirements in VAR-001 while maintaining reliability and eliminating unnecessary phone calls.

# Q4 2013 Ballots and Comparison to Baseline Data

In the version of this report filed on January 31, 2011, NERC provided baselines for each phase of development for 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. Averages were developed by projects without consideration to the number of standards associated with each project.

In this section of the report, NERC compares the projects balloted each quarter against these baselines to identify trends in the time required for various phases of standards development. As noted, during the fourth quarter of 2013, NERC conducted ballots of thirteen projects encompassing eighteen Reliability Standards and a revision to the definition of "Bulk Electric System" (Phase 2). Only Reliability Standards balloted during the fourth quarter of 2013 are included in the charts below.

Chart 1 compares the development phases for the standards revision projects against the existing baseline.

Projects 2010-14.1, 2008-12, 2007-11, and 2007-02 appear to have taken more time than the existing baseline in this quarter for several reasons. In 2010, the Standards Committee moved Projects 2007-11 and 2008-12 to a hold status. These projects returned to active development in 2013. Project 2007-02 has gone through several iterations to garner industry approval. The drafting team has worked closely with the Standards Committee to move towards a resolution with industry stakeholders. Project 2010.14.1 initially consisted of revisions to two current Reliability Standards (BAL-001-2 and BAL-002-2) and the creation of two new Reliability Standards (BAL-012-1 and BAL-013-1). After receiving industry feedback, the drafting team discontinued development of the two new standards. BAL-001-2 was approved by the industry in July of 2013 and BAL-002-2 is currently in development.

**Chart 1**

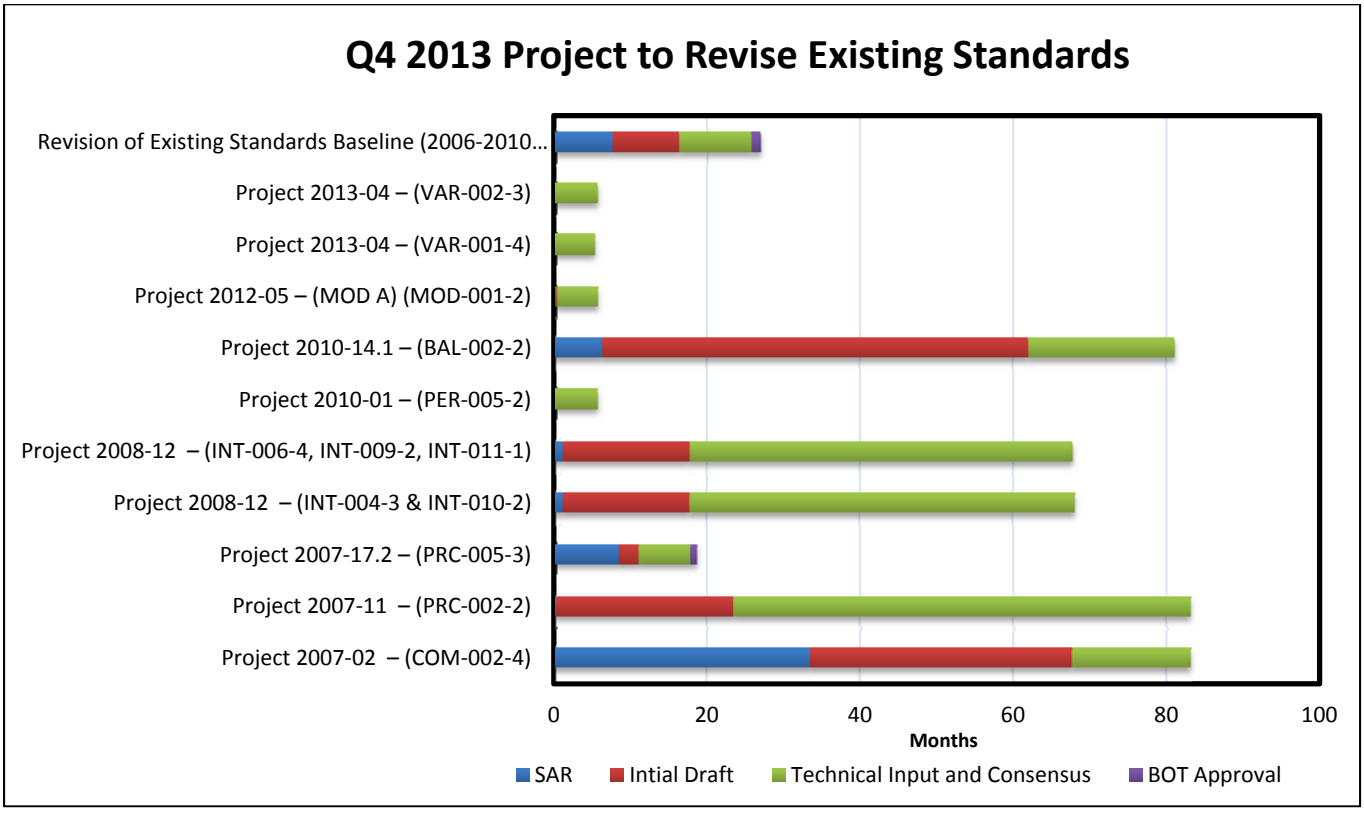
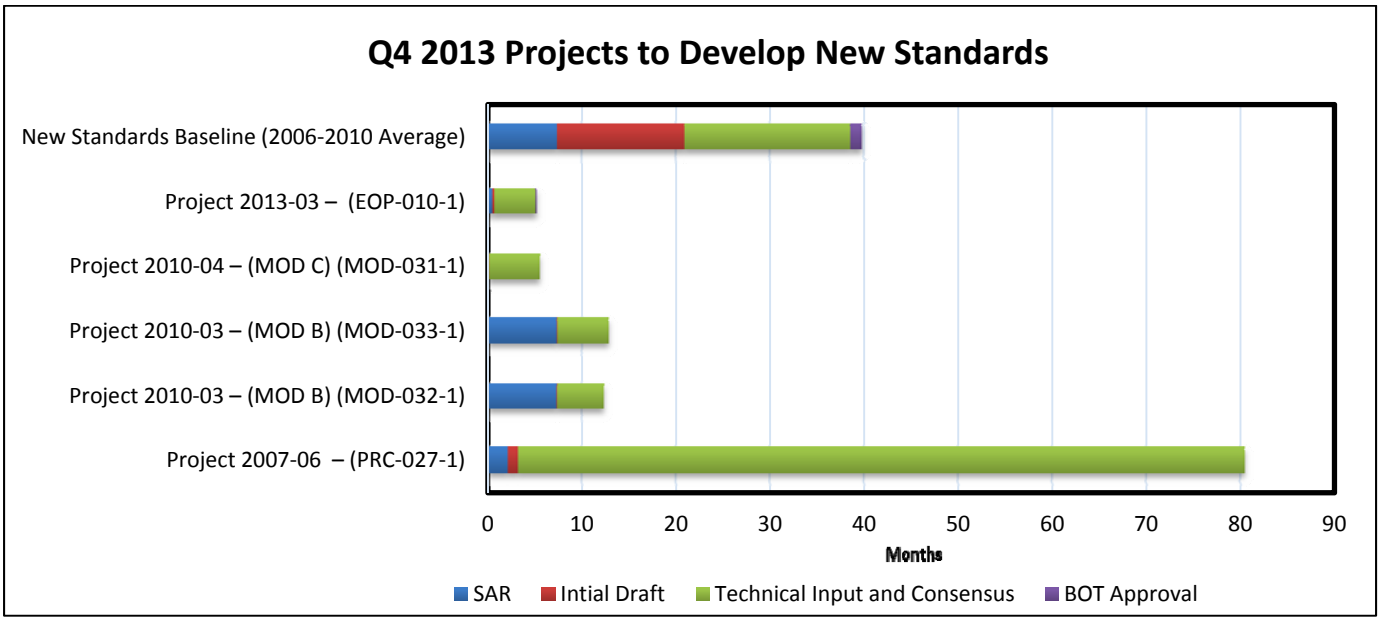


Chart 2 compares the phases of the projects to develop new standards that were balloted in the fourth quarter against the baseline for all such projects balloted between 2006 and 2010.

**Chart 2**




**SAR Development Phase**. The SAR Development phase measures the initial draft of the SAR to the SC acceptance of the posted SAR. Project 2007-11, Project 2008-12, Project 2010-01, Project 2010-14.1, Project 2012-05, Project 2013-04, Project 2007-06, Project 2010-04 and Project 2013-03 of the SAR development phase were completed in less than six and a half months and this phase for Project 2010-03 was completed in less than seven and a half months. In comparison, from 2006 to 2010, SAR development times averaged seven and a half months for a project to develop new standards and eight months for revision projects. Therefore, the SAR development period for projects balloted in the fourth quarter of 2013 decreased significantly as a result of the efforts made to gain consensus prior to SAR development.

**Initial Draft Phase**. The initial draft development phase measures the acceptance of the SAR to the posting of the initial draft for comment.

The 2006-2010 baseline for the initial draft phase was just under nine months for revision projects and approximately 14 months for new standards projects. During this phase, eight of the thirteen projects were completed in under three months: Project 2013-04, Project 2012-05, Project 2010-01, Project 2007-17.2, Project 2013-03, Project 2010-04, Project 2010-03 and Project 2007-06.

Overall, changes proposed to the drafting team makeup for 2013 and beyond should make the development of an initial draft more efficient. The intent is to keep drafting teams smaller and more agile to better position the teams to develop drafts quickly with the informal participation of industry subject matter experts.

**Technical Input Phase**. Drafting teams seek technical input from the industry 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(s) for substantive changes. Thus, the technical input phase includes periods of time when standards and associated documents are posted for industry review – typically for 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.

The 2006-2010 baseline for the technical input phase was approximately nine and a half months for revision projects and just under 18 months for new standard projects. In the technical input phase nine projects have standards that are ongoing, with four of those projects appearing to be on track to take less time than the baseline to complete.

In 2013 and beyond, the current Standard Processes Manual, effective June 26, 2013, will reduce some of the burden on drafting teams during the technical input phase without eliminating the requirement to review and consider each industry comment. That change, combined with the increased focus on informal consensus building in early stages of the development process, will continue to help reduce the time spent during the formal technical input process.

**Board of Trustee Adoption.** The baseline period between ballot pool approval of a standard and Board adoption of the standard is approximately five weeks. The period of time between ballot pool approval of a standard and Board adoption can vary based on the Board's fixed schedule of face-to-face meetings. Project 2007-17.2 (PRC-005-3) and Project 2013-03 (EOP-010-1) have been adopted by the Board during this quarter and took less than four weeks from the period between ballot pool approval and Board adoption.

**Filing with Regulatory Authorities**. During the fourth quarter of 2013, the following five filings were submitted to FERC for standards projects that required Board adoption:

- On November 14, 2013, a Petition for Approval of EOP-010-1 was submitted. Docket No. RM14-1-000.
- On December 11, 2013, a Notice of Withdrawal of the Joint Petition for Approval of Proposted Regional Reliability Standard PRC-006-SPP-01 (Underfrequency Load Shedding). Docket No. RD13-9-000.
- On December 13, 2013, a Petition of NERC for Approval of Revisions to the Definition of "Bulk Electric System" and Request for Expedited Action. Docket No. RD14-2-000.
- On December 17, 2013, a Supplemental Information to the Petition of NERC for Approval of Proposed Reliability Stnadard PRC-025-1. Docket No. RM13-19-000.
- On December 20, 2013, a Joint Petition of NERC for Approval of WECC Regional Reliability Standard IRO-006-WECC-2 and WECC Regional Definition of Relief Requirement. Docket No. RM14-4-000.

# Conclusion

During the fourth quarter of 2013, NERC balloted five new standards, moved two projects forward to Board adoption and is diligently working on bringing outstanding projects to a close.

The numbers this quarter, reflect a substantial decrease in the initial phase of each of the new standard projects brought to ballot. Note, the Definition of "Bulk Electric System" and six standards completed final ballot, while three additional standards were less than 3% from achieving an approval rating.

Overall, revisions to the Standards Process Manual have helped to promote efficiency of the standards development process which has significantly reduced the development time in each phase of the projects. NERC remains focused on producing world-class results-based standards and is continuing its efforts to build consensus and quality.

# Appendix A

## 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 an 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**.[6] 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. For those interpretation requests that were processed, the average time to complete interpretations and file them with regulatory authorities was about 10 months.

[6] 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. The *Standard Processes Manual* approved by FERC in June 2013 no longer includes this process.