SMART Method and Rating*

Rating	S - Specific/Simple - Be easily understood and not driven by commercial factors (i.e. tariff) - Identify factors that positively or negatively impact reliability - Address reliability problems and solutions	M - Measurable - Be easily measured with regularly collected information - Measure past and current reliability - Measure progress in ensuring reliability - Measure effectiveness of reliability standards and enforcement programs	A - Attainable - The industry can provide the right resources (i.e. funding, time and ability) to improve reliability - Reliability will be measurably improved	R - Relevant - Linked to reliability goals - Provide meaningful information - Provide feedback for improving the Reliability Standards	T - Tangible/Timely - Reflect current top priority issues and possess a sense of urgency - Identify reliability gaps and point to existing standards that need to be modified or new standards that need to be developed
3	• Defined in a NERC Standard • Not driven by commercial factors • Addresses specific reliability issues	• Easily measured and reported regularly • Historical data exists at REs and/or NERC and is currently required in NERC Standard • Directly measure effectiveness of standard and enforcement programs	• Compelling business case suggests good chance of being approved through business planning and tariff approval processes • Reliability improvements will be easily seen	• Direct link to reliability goals • Focus on failures and possible solutions or improvements • Provide direct feedback for improving the Reliability Standards	• Directly links to current top priority reliability issues and possess a sense of urgency • Clearly identifies reliability gaps and points to standard improvement needs
2	• Defined within the industry • Not driven by commercial factors • Addresses reliability issues	• Easily measured and reported on occasions • Some historical data exists at REs and/or NERC and is currently required in NERC standard • Measure effectiveness of standard and enforcement programs in a long run	• Additional resources will be required and have a reasonable chance of being approved through business planning and tariff approval processes • Reliability improvements will be apparent within a reasonable period of time (months)	• Some link to reliability goals • Not directly focus on failures and possible solutions or improvements • May provide feedback for improving the Reliability Standards in a long run	• Some link to current top priority reliability issues • May reveal reliability gaps in a long run
1	• Defined somewhere • May have some commercial factors • May relate to reliability issues	• Easily measured and not reported • Some historical data exists at REs and/or NERC • No link to effectiveness of standard and enforcement programs	• Significant resources will be required well beyond normal business planning and tariff approval levels • Reliability improvements will only marginal, or evident over an extended period of time (years)	• No link to reliability goals • Not Focus on failures and possible solutions or improvements • Not tied to a standard improvement	• No link to current top priority reliability issues and does not possess a sense of urgency • Does not identify reliability gaps.

* SMART Score = S rating + M rating + A rating + R rating + T rating