



On behalf of our member companies, the Edison Electric Institute (EEI) appreciates the opportunity to provide brief comments on the draft proposed NERC 2015 budget and business plan. EEI broadly supports NERC and the successful achievement of its critical mission to ensure bulk power system reliability. The following comments are intended to help in that mission.

EEI commends NERC in the manner in which they presented this first draft budget; it was clean and well packaged far beyond any prior first draft budget. NERC's efforts to provide a quality budgetary product early in the budget process is well appreciated and we commend NERC in these improvements; believing the additional time taken by NERC resulted in a significantly better product as presented to the Industry. NERC should be proud of their accomplishments on this effort.

EEI would also like to commend NERC on their attentiveness to some of our previous concerns, noting the flatter proposed budget (1.6% increase), alignment of salaries with Industry norms, salaries (held to 2.7%), and control of travel expenses (travel expenses down 6.5%).

We likewise applaud NERC's efforts to implement greater transparency, finding few areas where budgetary questions could not be easily answered in the total package presented in even this first draft. We note the liberal use of tables and supporting explanations to support all budgetary changes and functional areas. As an example of this attentiveness to ensure Industry understanding, we note that efforts such as CRISP, which NERC is clearly still trying to assess the total cost, has been clearly noted as only representing a "budgetary placeholder" for NERC's participation, while making it clear that significant additional costs will be required for NERC to serve as program manager for this important effort. We also understand that changes have occurred in the role of the ES-ISAC in CRISP, since NERC posted the current version of the proposed budget and business plan. In addition, we envision other costs that will be funded by CRISP participants and not by load-serving entities, not yet known and therefore not possible to show at this time.

NERC High Priority Risk Projects

In general, EEI finds the list of High Priority Projects to be appropriately aligned to Industry concerns. We find that the description and layout of these projects in the 2015 Budget Plan to be strategic and aligning closely with the electric industry. In the past budget comments, EEI

had cited fault with NERC's lack of focus in their budget priorities yet in the 2015 budget we find a well-structured budget with significantly greater focus on known issues. Additionally, the budget recognizes the ERO and the Reliability Issues Steering Committee's collaboration on a multi-year perspective addressing key reliability initiatives. EEI commends NERC on their well-tuned list of priorities.

EEI does, however, question whether the last two projects identified on the "Current High Priority" list should continue to be identified as "High Priority". In both cases (i.e., Right-of-Way Clearances and 345kV Breaker Failures), we believe are well on their way to being resolved by the industry. Although through some discussions with NERC, we understand NERC's concern that some facets of these projects may still need to be verified as to their completeness, we do not believe they merit "High Priority" status. To our understanding, the Industry has been responsive to these issues and in nearly all cases issues have been resolved or mitigation plans submitted. Therefore, we would respectfully suggest NERC consider removing these items from the "High Priority" Project list or acknowledge the improvements made by the Industry in these areas.

Relative to the new "High Priority" Projects, EEI does not find any fault with the balance of NERC's priorities as identified with the exception possibly of "Risk Based Registration". Although we agree there should be better alignment between registration and the newly approved BES Definition, we question whether this should really be identified as a "High Priority" since we are unaware of any imminent risks associated with entity registration.

CRISP

EEI strongly supports the adoption of the Cybersecurity Risk Information Sharing Program (CRISP) developed originally by the DOE and later through the support of the Electricity Sub-sector Coordinating Council (ESCC) and developmental work by the Pacific Northwest National Laboratory. We believe this to be a worthwhile and needed effort necessary to ensure the cyber integrity of grid systems and welcome the further expansion of this project. Although we understand that the cost of this system will be considerably more than currently reflected in the current budget draft, and much of that will be funded by the CRISP participants, we believe that, given the success of the piloted systems, further expansion is essential.