

- Individual or group. (48 Responses)**
- Name (29 Responses)**
- Organization (29 Responses)**
- Group Name (19 Responses)**
- Lead Contact (19 Responses)**
- Question 1 (40 Responses)**
- Question 1 Comments (48 Responses)**
- Question 2 (44 Responses)**
- Question 2 Comments (48 Responses)**
- Question 3 (40 Responses)**
- Question 3 Comments (48 Responses)**
- Question 4 (39 Responses)**
- Question 4 Comments (48 Responses)**
- Question 5 (38 Responses)**
- Question 5 Comments (48 Responses)**
- Question 6 (0 Responses)**
- Question 6 Comments (48 Responses)**

Group
Dominion
Mike Garton
Yes
Dominion notes that the SPIG recommendations are draft at this point, so any responses to this comment form may or may not remain valid once the SPIG recommendations are finalized. Additionally, it is difficult to determine whether Question #1 is referring to SPIG Recommendation 1 and 5 or all the SPIG recommendations. Dominion assumes, for the sake of providing comments, that Question #1 is addressing SPIG Recommendations 1 & 5.
No
The preceding discussion appears to focus on the ANSI process ascribed in SPIG Recommendation 1 while the question asks about Recommendation 4. The four bullets under SPIG Recommendation 4 are not adequately addressed in the revision to the process manual. Dominion believes the ballot process and comment process should be structured in such a way that there is direct linkage between the vote (ballot) and the comments associated with the vote.
No
The question is not aligned with the language of SPIG Recommendation 4. The revisions to the SPM provide little to no mention of the four bullets under SPIG Recommendation 4. Dominion supports the retaining the measures as developed by the drafting team.
No
SPIG Recommendation 4 does not directly discuss revising the Essential Elements of Standards Template to eliminate redundancies such as VSLs. The topic is however discussed in the document titled: Standard Processes Manual Revisions: SCPS White Papers for Background Information.
The Cost Effective Analysis Proposal is currently posted for industry comment and Dominion intends to file comments there.
1. Page 10 of the SPM redline states the following: a. "The only mandatory and enforceable components of a Reliability Standard are the: (1) applicability, (2) Requirements, and the (3) effective dates. The additional components are included in the Reliability Standard for informational purposes, to establish the relevant scope and technical paradigm, and to provide guidance to Functional Entities concerning how compliance will be assessed by the Compliance Enforcement Authority." b. Dominion supports the retaining the measures as mandatory and enforceable components of the Reliability Standard and believes the RSAW should align with the Requirements and Measures of the standard. 2. The Standard Processes Manual (SPM) should address the creation of the Reliability Issues Steering Committee in Section 3.0. 3. Page 11 of the SPM redline provides conditions for disbanding of a drafting team by the Standards Committee. There is no guidance for the Standards Committee's disposition of the work should that option be exercised. Will another

drafting team be appointed or will the project be canceled? 4. The SPM redline text boxes suggest that changes to Section 3.10 are intended to be responsive to SPIG Recommendation 4 by involving compliance staff in the development of RSAWs. Dominion supports the retaining the measures as mandatory and enforceable components of the Reliability Standard and believes the RSAW should align with the Requirements and Measures of the standard. 5. On page 21 of the SPM redline; there is a reference to "NERC's Benchmarks for Excellent Standards." A search on the NERC website failed to locate a document with that title; however, a document with a similar title was found. Please provide clarification as to the specific reference. 6. Step 4.4.2 requires the drafting team to document its justification for the Sanction Table references for each Requirement. Please explain where this justification will be documented. Will the Sanction Table reside in the SPM or in each individual Standard? 7. 8. Step 4.7 does not address the drafting team responding to comments during the formal comment period as described in the SCPS White Paper. 7. Step 4.11 describes the process for handling a negative ballot without comment or with a comment that is unrelated. This appears to be a cumbersome process and does not improve the efficiency of the standards development process (e.g., 30 days to notify the Standard Process Manager another 10 days for the balloter to respond adds 40 days to the ballot process). 8. Step 6.2 in the second paragraph, suggest revising the second sentence to state "Compliance Monitoring and Enforcement Program staff." 9. Examples 3-8 in Section 7 need to be reworded to remove the additional "where" at the beginning of each example. 10. Section 13 states Reliability Standards approved by ANSI as American National Standards shall be reviewed at least once every five years. How is this approval designated on the Reliability Standard? 11. Section 2.5 Sanction Table Reference; Compliance Element is capitalized, this term is not included in Appendix 2 Definitions Used in the Rules of Procedure. Is this going to be a new proposed term?

Group

PPL Corporation NERC Registered Affiliated

Stephen Berger

The PPL Companies appreciate the Standards Committee's efforts to revise and streamline the Standard Development process. PPL Companies are in agreement that the proposed recommendations do adequately address the SPIG recommendations, but have the following concerns with the proposal. The proposal will reduce the opportunity that Stakeholders currently have to review and comment on standard revisions. The PPL Companies would like the Standards Committee to consider that eliminating the 30 day informal comment period doesn't provide Stakeholders with the same level of involvement in the standards process as they enjoy today. Given the often technical nature of standards and differences by region and/or company structure, the use of the informal comment period and the 30 day formal comment period has proven effective. The PPL Companies recommend that existing utilization of both informal and formal comments periods be required and the time periods be maintained. NERC's current process, which is ANSI compliant, provides that the SDT must address all comments directly. The proposal provides the SDT with ability to selectively group comments and respond with a generic statement. The PPL Companies suggest that if a response is to be used multiple times to respond to similar comments from different entities, the response should cite which specific previous response it is referencing rather than just stating, "response above." The PPL Companies recommend that the SDT be directed to continue to provide direct responses back to each comment or accurately reference which response the SDT feedback is referencing, when grouped responses are submitted. This recommendation does not preclude SDTs from responding to similar comments in a similar manner by using the same response multiple times.

The PPL Companies appreciate the Standards Committee's efforts to revise the voting process to streamline and reduce cycle time in the voting process. The PPL Companies do have concerns with the "negative comments test" to determine if comments are "related" to the proposal under consideration and question if these modifications will significantly reduce the time needed for the standard development. Even if the proposed process is implemented, the lack of rigorous criteria for deciding whether comments are "unrelated" appears to complicate the review of negative comments. As stated in ANSI Essential Requirements: Due process requirements for American National Standards, §2.7.2., "[Standards Developers] shall record and consider . . . negative votes accompanied by comments of a procedural or philosophical nature." (Emphasis added). Assigning the "negative comments test" to the Standard Drafting Team introduces opportunity for bias in that these persons, having considered their product to be ballot-ready, can reasonably be expected to be hoping for a positive outcome. It is unclear to the PPL Companies how the decision will be made to reject unrelated comments. A definitive and transparent process is needed to establish how comments will be evaluated. The

requirement that ballot results will not be finalized until all appeals are evaluated and decided appears to add complexity that could delay the development of standards. This would be inconsistent with the stated intent of providing a more rapid development of standards.

The PPL Companies agree with the changes made to Section 3. Section 3.0 states: "The only mandatory and enforceable components of a Reliability Standard are the: (1) applicability, (2) Requirements, and the (3) effective dates. The additional components are included in the Reliability Standard for informational purposes, to establish the relevant scope and technical paradigm, and to provide guidance to Functional Entities concerning how compliance will be assessed by the Compliance Enforcement". This revision to the Standard Process Manual constitutes a global change which should eliminate CANs. From this point forward, the only guidance provided on Reliability Standards will be contained in the standards. If additional guidance is needed, the industry shall utilize the Interpretation process as defined in this Manual. The PPL Companies support creating the RSAWs in parallel with the standards. The provisions to allow for quality reviews to be conducted in parallel with standard development should be beneficial. Proposed changes to RSAWs should be required to go back to the Standards Development Team for approval to ensure that the changes are consistent with the intent of the SDT.

The PPL Companies are not convinced that the proposed Sanction Table is an improvement over the current Base Penalty Amount Table integrated with the VRFs and VSLs. VSLs for some standards have specific numeric divisions which reduce subjectivity in the application of VSLs. Increasing the need for subjectivity in the penalty determination process is not consistent with development of an expeditious, transparent penalty application process.

While the PPL Companies support a greater consideration of the cost/benefits of a revision or creation of a standard, the PPL Companies have some concerns with the CEAP: a. In Step 1, the responsibility of providing a report and recommendation based upon the CIA questions in Appendix B should not rest with NERC Staff, but with industry SMEs. In Step 4, the report and recommendation should not be provided by NERC Staff, but by industry SMEs. However, NERC staff should be available to support the SMEs work. b. Responses to the questions in Appendix B should be reported separately for each of the groups covered by the draft standard (GOs, TOs, TOPs, etc., as applicable), not as a single figure for all of industry. This will help identify where standards that may be acceptable on an aggregate basis involve placing an excessive burden on one segment of the stakeholders. In addition, the cost/benefit analysis should consider different industry and organizational structures. For example, the burdens placed on a vertically-owned utility and an independent generator for a particular standard may be very different. Additionally, there are differences between ISO/RTO and non-ISO/RTO regions (e.g., black start compensation). Such differences should be considered in assessing the cost and benefits. c. If there are significant differences in costs and benefits between phase 1 and 2, a third phase consisting of a NERC-funded pilot at volunteer entities could be helpful in obtaining greater certainty on actual costs and benefits. d. The phase 1 and 2 inquiries should have added to them the question, "Are there alternative measures that would demonstrate compliance in a less burdensome manner than those presently proposed, or re-phrasings that would eliminate uncertainty?" This aspect of compliance is oftentimes not as well developed in draft standards as the technical requirements. The PPL Companies recommend that NERC, after considering industry comments and with Stakeholder approval, finalize its CEAP before deciding if the CEAP addresses the SPIG recommendation.

The PPL Companies appreciate the Standards Committee's changes to address the SPIG Recommendations but have the following additional concerns about the change in process. The PPL Companies are concerned with the addition of section 16 (waiver). Back-door powers can be abused, so normal processes should be adhered-to under all circumstances. The PPL Companies are also concerned that many parts of this proposal have already been used by NERC without modifying the process and getting FERC approval of new process. The discounting of negative votes is already apparent as is the disregard for providing specific responses to comments by replacing them with bundled generic responses that are not tied to a specific comment from a responsible entity. The elimination of the voting rights of stakeholders on VSL and VFR is also a modification that is replaced by a non-binding poll which gives NERC total freedom on that subject without a meaningful input from Stakeholders. The main goal of the proposed changes to the SPM is to make it faster – faster is not necessarily better. Quality products should be the goal – not just faster or a greater quantity of enforceable standards. The proposals to revise the SDP to reflect the minimum ANSI requirements seems inconsistent with NERC's efforts in promoting "best practices" among its members.

Group
Arizona Public Service Company
Jana Van Ness, Director Regulatory Compliance
Yes
No
Elimination of negative votes of any kind in calculating industry consensus will be a mistake. Particularly elimination of negative votes with comments considered to be not relevant. There are no defined criteria as to what is a relevant comment and the determination will be subjective. If two thirds of the members do not vote affirmative, the standard should not pass. Eliminating the negative votes without comments or with comments not considered to be relevant could result into a standard which has great deficiency. If a voting member votes no, it should be counted no matter what
Yes
Yes
Yes, the elimination of VRF and VSL is a good idea. VSL's are currently being misused. Drafting teams are forced to assign medium VRF's for any requirement other than purely administrative no matter how small is the impact. VSL's are getting very complicated and have become arbitrarily time based even though reliability impact is not proportional to delay in executing.
No
There is no mention of CEAP in this document. There should be additional discussion of how the recommendation is applied.
1. There appears to be typo error in the Sanction Table. Level 2 penalties start at \$75,000. It should be \$7,500 to be consistent. For example Level 3 penalties start with \$ 15,000. 2. There should be guidance on how the sanction table is applied, particularly where a large number of elements are involved. For example: for a maintenance violation, are the penalties based on per item or on the overall impact? In many instances impact is not proportional to number of violations. Another example would be time based violation. If an entity missed a requirement which has a small impact, the impact does not grow with time. Another example is the MVA size. A 20 MVA unit does not have the same impact on BES as a 1000 MVA unit. The sanction should be proportional to possible impact. There should be guidance with examples so that industry is clear on the intent of sanctions. 3. The proposed Sanction Table does not contemplate a ZERO (0) or FFT type fine. This needs to be addressed before we can support the table.
Group
ACES Power Marketing Standards Collaborators
Nick Wehner
Yes
No
-1- In general, we disagree with the concept of not counting some negative votes. We believe all votes should be counted towards the approval rate. While it is true that ANSI allows negative votes to not be counted, it is not appropriate, in NERC's case, to lower its current criterion to the minimum ANSI criterion. First, the current NERC criterion simply exceeds the minimum ANSI criterion and is not a violation of ANSI criteria. Second, ANSI-approved standards setting bodies develop standards that are followed for different reasons than NERC standards are. For instance, Underwriting Laboratories develops laudable standards for safety testing and certification. If UL standards are not met, a product cannot use the UL label which might affect its ability to be sold or have other ramifications. UL cannot fine the manufacturer for not following a UL standard. Third, we are not aware of any other ANSI-approved standards setting body that has the authority to enforce those standards with fines of up to \$1,000,000/day/violation. Fourth, NERC having the ability to not count a negative vote, ultimately leading to a standard becoming approved and enforceable by NERC, is a conflict of interest. For these reasons, it makes sense to continue to exceed the ANSI requirement. Exceeding this ANSI requirement would also be consistent with the SPIG recommendation to continue to maintain ANSI accreditation. -2- With regard to negative votes without comment or with unrelated comments – it

does not seem proper to allow these votes to count toward quorum but not toward approval. Achieving quorum tells you that there was a large enough proportion of the body that voted and had their opinion represented, but then a portion of those opinions (the negative without comment votes) are not represented. This is not a true quorum. We believe that negative votes without comment or with unrelated comments should be counted toward both quorum and approval. But if they must not be counted toward approval, then they should also not be counted toward quorum. In such a case, quorum should be recalculated after certain negative votes have been eliminated. -3- If negative votes are not to be counted, then a high bar should be established for the decision to not count the vote. If there is any doubt whether a comment is related, then the voter should be given the benefit of the doubt, and the vote should be counted. We believe the proposed changes do have a fairly high bar (not considering our comment regarding quorum in comment 2 of this question). However, we further suggest that the primary emphasis should be on encouraging voters submitting negative votes to provide comments rather than on recalculating the ballot. For one, it is entirely possible that recalculation of the ballot will not change whether the standard is approved or not. Obviously, in this case, recalculation of the ballot provides no expedition of the standards development process. -4- As we understand the standards process, comments are no longer submitted with the ballot, but through a separate electronic formal comment process. We assume that these formal comments will be used to determine whether a negative vote was accompanied by a related comment and should count toward calculating approval. We also understand that the standards process only requires that there be one formal comment period during the entire balloting process of a standard. So in the case where a ballot results in a standard achieving approval and it proceeds to recirculation ballot (with no formal comment opportunity), then a voter who did not initially provide comments will not have the opportunity to provide comments in the recirculation ballot period to allow their negative vote to count. We suggest that the standards process allow the opportunity to provide comments, whether formal or not, at each voting opportunity so that each voter has the chance to cast a vote that will be counted. Preferably, voting and commenting should occur simultaneously as it previously had been conducted. This will further ensure that the drafting team is incented to work to gather input rather than discount negative votes. Additionally, we understand that on p. 24 of the whitepaper for this project it states that the NERC website will be rebuilt with a revised balloting page, but we still feel that the actual standards process manual should clearly reflect these elements of the balloting process. -5- Comments simply disagreeing with the need for a standard should be considered an acceptable comment for a negative vote and the process manual should state this directly. First, the SAR is not balloted, so there is no measurable way to indicate whether there is majority support for the standard development activity. Second, the drafting team essentially makes a judgment from comments on whether the SAR has support to proceed. Historically, standards drafting teams have not been able to gauge the level of support for a standard from comments. This can be easily deduced by the fact that the vast majority of standards usually do achieve a very low number of affirmative votes during the initial ballot. For whatever reason, it is only when the standard becomes balloted that support becomes measurable. Thus, commenters could state many objections to the SAR in the comment period, and it still proceeds based on the drafting team's judgment that such comments did not relate.

Yes

We do not object to this change, but ultimately, we believe that standards should be written clearly enough that neither measures nor RSAWs are even needed. If they truly are needed and must be used, then we also would like to emphasize the need to ensure that RSAWs provide real guidance on what compliance and non-compliance looks like. If they become like the measures and just repeat the requirements, they will not be effective. Some current RSAWs fit this category and offer little guidance because they just repeat what is in the requirements. We would also like to express the concern that removing the measures in favor of RSAWs could potentially make the guidance provided in them less accessible to auditors and also make them less likely to consider it good guidance on the standard. We suggest providing a link in the standard to the RSAWs (perhaps where the measures used to be), making the guidance more accessible. In fact, all guidance that NERC would like entities and auditors to use for compliance should be linked from the standard.

Yes

-1- Since there is little correlation between actual penalties issued to date and the sanctions table (and by extension VSLs and VRFs), this makes sense. Furthermore, VRFs are often skewed high based on what could happen if the requirement is violated, not what is likely to happen. Finally, VSLs

rarely represent the full spectrum of violations that could occur which requires enforcement personnel to use their judgment in assigning a VSL anyway. Eliminating VRFs and VSLs should save all stakeholders time in the standards development process. -2- We do have one concern, however, regarding the sanctions table. The sanctions table should reflect differing penalties depending on whether or not a negative consequence has occurred. This accommodation exists in other areas of the law. For example, an attempted crime generally does not carry the same level of penalty as an actual crime.

Yes

We indicated in our comments on the CEAP that it represents a good start for a cost measure that will ultimately need further refinement. Considering the recommendation is high-level, CEAP probably does meet the recommendation.

-1- On p. 25 under "Form Ballot Pool" it says that "NERC Reliability Standards staff shall establish a ballot pool during the first 30 calendar days of the 45-day formal comment period. However, in the next paragraph it says that "Any member of the Registered Ballot Body may join or withdraw from the ballot pool until the ballot window opens," and in the next section under "Conduct Ballot" it says that "The ballot window shall take place during the last 10 calendar days of the 45-day formal comment period." This suggests that there is a 35-day period to join the ballot pool, which contradicts the previously mentioned 30-day period. This contradiction needs to be cleared up. -2- Towards the top of p. 6 it says "A quorum, which is established by at least 75% of the members of the ballot pool submitting a response with an affirmative vote, a negative vote, or an abstention." But down on p. 26 it says "A quorum, which is established by at least 75% of the members of the ballot pool submitting a response excluding abstentions and non-responses." I believe that the statement from p. 6 needs to be edited as the statement on p. 26 was. -3- On p. 41 on the Process for Developing an Interpretation Diagram, Step 3, on the right side says that standards staff will form a ballot pool at this time. However, down in step 6 of the same diagram, on the left side, it says that the ballot pool will be formed during first 30 days of the formal comment period. This seems to be a contradiction that needs to be cleared up. -4- On p. 32, under "Process for Developing a Defined Term," it says "Definitions shall not contain statements of performance Requirements." Since results-based standards involve three kinds of requirements, "performance" being one of them, this statement could be interpreted to mean that definitions cannot establish "performance" requirements, but can establish the other two kinds of requirements. Is this the intended meaning? If not, then it needs to be clearly stated that definitions cannot contain statements of any of the three types of standard requirements.

Individual

Daniel Duff

Liberty Electric Power

Yes

Agree with this provision, but the Process Manual should be revised to require comments be immediately posted publicly so all entities can be informed of the views of their peers. This is especially vital considering the intent to modify the criteria for counting negative votes.

No

Serious ethical questions arise when individuals with an interest in passing a standard decide whether a comment is "related". All negative votes should count in the balloting. Should the concept of requiring a comment survive, the manual should be modified to allow any comment for the purpose of counting the vote as a negative in the ballot calculations. There have been many cases where a comment has been rejected as beyond the intent of the SDT. These comments are germane, but are subject to rejection. Removal of subjective decisions on the validity of comments is the only fair practice.

Yes

Yes

No

Comments provided in the CEAP comment form regarding cost differentials due to entity size and structure.

Suggest modifying the criteria for passing a standard to consider a vote failed if less than 50% of a qualified segment casts affirmative ballots. This is especially important if the rules for counting negatives are going to change. As written, a segment could reject a proposal unanimously but still see the measure pass if the remaining segments approve at a 75% rate.

Group

Northeast Power Coordinating Council

Guy Zito

No

Due to the uncertainty of the CEAP and not knowing the responsibilities of the RISC at the time of this posting, it is premature to agree that the revisions adequately address the SPIG recommendations.

No

It addresses the recommendations, however we do not necessarily agree with the approach taken. The revision doesn't address when an entity refers to comments submitted by another entity. For example, NPCC votes "no" with relevant comments, and an entity votes "no", and indicates a reference those comments submitted by NPCC.

Yes

No

The title of the tables should be changed to 'Operations' Sanctions Table Guidelines, 'Cyber Security' Sanctions Table Guidelines, and 'Planning' Sanctions Table Guidelines. Are these three tables intended to encompass all standards?

No

The revision does not reference the CEAP, therefore not adequately addressing the SPIG recommendation. The CEAP is a separate and proposed guideline document not referred to in this Standard Processes Manual.

One item not included but needing further discussion is the comment forms being provided to the industry on all NERC activities. All the comments forms seem to be stated as "we made this change. Do you agree with this change?" An opportunity for back-and-forth is not being provided to the industry with these types of comment forms. Who or what "body" should be approached with this issue. There should be more opportunities for open discussion with industry through the proper construction of questions on the comment forms. Following are additional comments: 1. Section 16 is a new section giving the SC authority to "waiver" the process steps. I do not support giving the SC this authority, thereby removing the requirement to report deviations of the process. I believe the SC already takes an exceptional amount of liberty with their "authority". More transparency is needed when a waiver is exercised and a justification process should be required. The concept of a waiver provision with appropriate controls/qualifications to ensure the provision must be used appropriately. The proposed Waiver provision, as drafted, is too broad. The provision should require a clear demonstration of why the SPM process is inadequate in the circumstances where a waiver is permitted. Suggest the following edits to the first two bullet points following "limited to the following circumstances": Where the standards team demonstrates that the SPM process will not allow the team to meet regulatory deadlines set by FERC; Where the standards team demonstrates that the SPM process will not allow the team to meet deadlines imposed by the NERC Board of Trustees; or. . . 2. The section on "variances" implies that a variance is needed for "a conflict with an approved tariff". Are Standards allowed to be developed under such scenarios? 3. NERC and the SC had taken the position that the BOT action had limited Interpretations to the Requirements. However, upon further inquiry regarding the Level 1 appeal for the NWPP FRI on BAL-002, the BOT instructed that their action had been too strictly interpreted and that their action did not limit things contained within the "four corners" of the Standard. However, even after this clarification, as I look through the SPM changes, there continues to be this egregious attempt to limit the Industry's ability to request an appropriate Interpretation and, therefore, stave off inappropriate enforcement. The specifics of this are in the Interpretation section, the SPM indicates that an RFI should be rejected if (1) an issue can be addressed by an active standards development activity; (2) RFI request clarity on any items other than a Requirement; and (3) an RFI has already been addressed in the "record." I am not supportive of these and actually believe that (2) and (3) completely contradict one another. 4. There remains language allowing for "waivers" of enforceable requirements for field trial purposes. Since the

enforceable requirements are essentially backed by law, I question the SC and BOT authority to enact such "waivers." 5. Section 4.18 proposes to give the SC additional authority to "withdraw" Standards, Interpretations, Definitions for "good cause" once the Standards, Interpretations, or Definitions has already been approved by industry and the BOT. See item 1 above. 6. Clarification is needed for quorum and approval calculations with examples given. 7. Balloting: the Ballot Body has 10 CALENDAR days to vote; however, if a balloter votes NO without providing appropriate comments they will be contacted to enable them to provide appropriate comments for their NO vote to count and they will have 10 BUSINESS days. I think both should be business days. 8. The process of opening a solicitation every year seeking ideas for new Standards Development proposals should cease. We are already inundated with Standards Development activities and anyone can submit a SAR at any time. 9. There is a new paragraph added to the Interpretation Section (7.0), that appears to give NERC staff authority to continue to not process Interpretations after the BB approves them. It states, "The NERC Reliability Standards and Legal staffs shall review the final Interpretation to determine whether it has met the requirements for a "valid" Interpretation. Based on this review, the NERC Reliability Standards and Legal staffs shall make a recommendation to the NERC Board of Trustees regarding adoption." 10. What Criteria constitutes a valid interpretation being used by NERC Standards and Legal Staff? 11. Standards Drafting Team Composition: NPCC supports the changes to Section 3.6 with regard to composition of drafting teams. However, NPCC believes that the standards drafting teams need more defined leadership in order to operate effectively, especially if quality review will be an ongoing process. NPCC recommends that this section be further revised to designate a project manager for each Standards Drafting Team with a defined role to: 1) ensure project deliverables and deadlines are met; 2) be responsible for oversight of the quality review process; 3) ensure the work of the team remains within the scope of the SAR. NPCC is not suggesting that a new position be created, but that a better-defined project manager function could be incorporated into either the role of the team chairperson or the team's NERC facilitator. With the addition of more non-technical experts to drafting teams, the project manager role might be better served by a non-technical member of the team. 12. Ultimately an individual has the right to say a standard is not needed and that no amount of "tweaking" will make it acceptable.

Individual

Kasia Mihalchuk

Manitoba Hydro

No

It is not clear that the proposal will "improve timely stakeholder consensus" as per Recommendation 5. The proposal will shorten the time period during which consensus must be reached, but not necessarily foster consensus.

No

The proposed revision does not address Recommendation 4, as it does not address the issues of results-based standards, cost-effectiveness of standards, alignment of RSAWs with standards or retirement of unnecessary standards. The proposed revision simply encourages constructive feedback, which may facilitate achieving "consensus", since "consensus" will essentially be redefined to exclude certain negative voters. It does not address Recommendation 4.

No

The proposed revisions could potentially address Recommendation 4, but it depends on how the RSAWs will be modified. Also, we are concerned that if the measures become part of the RSAWs they will no longer be subject to industry voting/approval and that the measures listed in the RSAWs will have no formal industry check in place to ensure that they are aligned with the original intent of the requirements.

No

The maximum penalties appear too high. Specifically, Capability-based requirement pose minimal risk to the bulk electric system and should have lower or no penalties associated with them. Also, it is not clear whether each requirement would be pre-assigned as belonging under Level 1, 2, 3, or 4, or whether this assessment would take place after the violation. If the first instance is true, this would allow less discretion is assessing the extent to which a requirement was violated.

Yes



Section 13.0 "Process for Conducting Periodic Reviews of Reliability Standards" – We disagree with the proposal to review standards every 10 years, from the previous five year requirement. Too much can change in ten years. It is just as important to review existing standards, to improve their quality and clarify, as it is to write new standards. A more regular standard review process would lead to a lower number of high-quality standards that are more beneficial to reliability. Section 16.0 "Waiver" – The ability to use a waiver is too broad. It states that a waiver can be used to address a time constrained regulatory directive, and most regulatory directives provide time constraints. A waiver should only be used for urgent reliability issues which pose a direct and significant risk to the Bulk Electric System, and not to fast-track directives.

Individual

Peter Yost

Con Edison

No

The revised manual needs to clarify the treatment of negative votes. For example, if an entity votes negative and references consensus comments submitted by their Regional Entity, this negative vote should be counted towards determining industry consensus. We note that in the existing ballot process there are no longer text boxes with the ballot, so how would the comment status of a ballot determined? Who decides what comments are constructive, appropriate and related (an acceptable comment) and which are not (inappropriate and unrelated)? Is there an appeal process? The SPIG must ensure that negative votes are not inappropriately disenfranchised.

Individual

Michael Gammon

Kansas City Power & Light

Yes

It is important for the Standard Drafting Team (SDT) to understand major industry concerns with a proposed standard. The suggestions in recommendation 1 to improve the process are likely to improve the process. To further strengthen the process, suggest the comments process include a method for the industry to identify "deal breakers" in a proposed standard, explain why it is a "deal breaker", and suggest a viable alternative. Where a "deal breaker" represents if the proposed standard is not modified, the entity cannot support the standard. This will aid the SDT to focus on the matters of most importance, consider meaningful alternatives and come to an effective and swifter resolution.

No

Although the proposed changes reflect the ANSI process, this proposal to dismiss negative votes that have no comment or are deemed to have unrelated comments does not reflect a representative process nor respects industry guidance. Further the "due process" that is proposed for entities to "appeal" the dismissal of a negative vote will unnecessarily burden the ballot process and result in a delay of determining industry consensus. In addition, the determination of whether a negative comment has merit will take time from the SDT and distract the SDT from the more fruitful activity of developing the standard and requirements. Recommend the current voting process remain and the proposed voting process not be implemented.

No

Something that clearly dictates what is required for a demonstration of compliance and the data retention required is an important part of the standards process. This information provides the necessary guidance to enable those with the task to demonstrate compliance the information necessary to do so and for those with the task to determine compliance the guidance to do so. The white paper suggests this should be accomplished in the development of the RSAW in parallel with the standard development in replacement of the current measures in the standards. It is immaterial whether a description of what is needed to demonstrate compliance and data retention is in the

standard or the RSAW as long as it is part of the standards process for industry approval and sufficiently described. The proposed Standard Process Manual does not sufficiently describe the framework that the RSAW should be nor does the proposed Standard Process Manual stipulate the RSAW should be included in standards process.

No

The problems and effort required by the SDT and the industry with the current method for VRF and VSL are well stated in the White Paper. The current proposal to eliminate the current VRF and VSL with the "Operations Sanctions Table" is not recommended. The proposed "Sanctions Table" will be subject to debate and interpretation and will be make it difficult to administer and apply. This could lead to an increase in entities and NERC with differences of opinion of the impact of a violation and the subsequent sanction and penalty and lead to an increase of time spent by entities and NERC in appeals. Although it is understood the current process to develop VSL's requires thoughtful consideration and effort, there are some activities in the standards process that are worth the time and effort. The current method for a VSL clearly defines the boundaries for failures and leaves little room for debate and interpretation. There is much value in that for NERC and entities. Further, the current method for VSL's is in direct alignment with performance based requirements. Recommend the current method for VSL's be retained to maintain clarity and avoid interpretation, inconsistent application and ambiguous treatment. The White Paper expresses problems that have been associated with the development and application of VRF's. Although the current method for VRF's may be problematic, this potentially could be overcome with training and education. The White Paper suggested a consideration to increase the number of VRF's from 3 to 5. This would unnecessarily encumber the current process even further and is not recommended. The concepts of requirements that are "Performance Based", "Risk Based", or "Capability Based" and the descriptions of these in the Proposed Standard Manual are attractive. The definitions for these are clear and provide boundary that is useful. Recommend NERC consider replacing the VRF with these as they are well defined and could be directly applied to well written requirements and would help to eliminate the ambiguity and inconsistent application of the current VRF's.

Yes

1. Section 2.5: Elements of a Reliability Standard On page 9, the current proposal removes "Evidence Retention" as an element of a reliability standard. Thoughtful consideration of the data needed and a realistic expectation for the retention of different kinds of data to demonstrate compliance is an important element in the standards process. It will be an unreasonable expectation for smaller entities to store real time data sampled every few seconds for three or six years. Consideration for data retention should not be overlooked and it is recommended to retain "Evidence Retention" in standards development. In addition, the current proposal removes "Measures" as an element of a reliability standard. Descriptive measures are in harmony with performance based standards and provide the guidance necessary for entities and auditors to understand compliance expectations with the requirements. It is highly recommended the "Measures" element be retained in the standards process. Removal of the "Measures" will result in ambiguity and debate between entities, Regional Entities, and NERC regarding demonstrations of compliance. 2. Section 3.4: Standards Committee On page 12 of the proposal, the first paragraph introduces the concept that the Standards Committee can dismiss a drafting team for a variety of failures of performance. This is considerable power to allow one Committee to hold. There is much in the way of judgment regarding the performance of a drafting team and their efforts and it is a serious matter to consider disbanding a drafting team and the disruption that will cause. It is recommended that the proposal be modified such that the Standards Committee should express standards team performance concerns and recommended actions to another NERC group, such as the Standards Oversight and Technology Committee, and allow the drafting team to defend itself to the NERC group to obtain consensus before actions are taken to disband a drafting team. 3. Section 3.6: Drafting Teams The bullet points of items drafting teams should consider in the development of standards and requirements does not include Compliance Application Notices (CANs). Recommend these bulleted items include consideration of CANs in the development of new standards and requirements.

Group

Occidental Energy Ventures Corp. (OEV) and Electricity Consumers Resource Council (ELCON) together called Industrial Consumers

John A. Anderson and Michelle D'Antuono

Yes

Occidental Energy Ventures Corp. (OEVC) and the Electricity Consumers Resource Council (ELCON) (herein: Industrial Consumers), the Sector 8 representatives of large end-use electricity consumers on the MRC, believe it essential that NERC's Standards Development process continue to meet at least the minimum ANSI requirements. However, we have two concerns which we believe are an improper translation from the intention of the SPIG recommendations to the updated Standards Process Manual. First, a vehicle must exist for the industry to request additional formal comment periods during the development of complex and/or controversial modifications to Reliability Standards. Without this provision, it is possible that project teams will make major modifications between multiple successive 10 day ballot periods – in our view, a misuse of the intent. For example, we cannot imagine that the CIP Version 5 Standards could be effectively vetted in a single formal review. Second, the legal memorandum posted concurrently with the proposed modifications essentially allows NERC to bypass the ANSI process if they deem it necessary without any threat of loss of accreditation. Although we understand that regulatory standards have inherent differences from voluntary industry-developed Standards, it goes against the partnership principals that NERC and FERC expound. Actions have consequences and it is unseemly to portray a process as communal when it is clearly not.

No

Industrial Consumers are very concerned that entities that submit "No" votes without any explanation may slow the development of certain standards. However, there is also a concern for Stakeholders that represent several affiliated NERC Registered Entities; while one Entity may be registered in the Ballot Body, the comments may be submitted under another Affiliate or through a Trade Association. There needs to be a way to add a comment in the voting process to state "see comments submitted under Company XYZ for this ballot". Similarly, there needs to be a linkage between comments provided during the review and the balloting applications. An automated solution makes the most sense and should save time and effort required by the Project Team and Industry Stakeholders alike. In addition, we are concerned that a project team can reject a commented "No" vote because the answer does not align with the question as written. We agree with the general need to ensure that negative feedback is helpful. Industrial Consumers also are very aware of the significant effort the Standards Committee Process Subcommittee (SCPS) has been taking in an attempt to develop a process by which "No" votes are considered without slowing the process. Industrial Consumers compliment the SCPS for its efforts and point out the complexity of this issue. Industrial Consumers are concerned that if this issue is not resolved to the satisfaction of all stakeholders, it could result in the rejection of the entire process. Thus, Industrial Consumers urge the Standards Committee to be very cautious in recommending SPM changes until the SC is sure that stakeholders are comfortable with the proposed changes. Industrial Consumers are not convinced that the language in the proposed changes to the SPM will be acceptable to all stakeholders.

No

Industrial Consumers agree that that RSAWs should be posted (but not voted) with draft standards for industry review and comment. Industrial Consumers also believe that RSAWs should be developed collaboratively by the SDTs and NERC compliance staff – not by having "drafting teams work with ERO compliance staff." The language in the proposed changes to the SPM does not recognize this nuance and gives too much authority to the compliance staff. It is our understanding that the Measures, which are presently in the Reliability Standards, will transition to the RSAWs. If an entity disagrees with an RSAW, such entity will need to vote "no" for the Standard, as the Measures must be vetted through the process, as they are today. To the extent that posting RSAWs makes them consistent with the applicable Standard, then there should be no need for Compliance Application Notices (CANs) and CANs should then be eliminated under this process.

No

Industrial Consumers agree that VRFs and VSLs should be eliminated, but only over the longer term. We all agree that the crafting of risk factors and severity levels under the present process is cumbersome and time consuming. However, this is a reflection of the complexity of equating reliability activities across a wide range of process, planning, and operational functions. In addition, continual refinements have been made over the five years that violations of the Reliability Standards have been subject to penalties – resulting in a level of consistency that is understood by all involved.

Further, Industrial Consumers commend the SCPS for its work in developing the "Sanctions Table." The concept appears to have validity. However, it is far from a proven concept. For example, the criteria are high-level and could leave too much discretion to NERC to determine the basis and size of the penalties. It seems that a smaller step should be taken first to establish a level of comfort with the industry – perhaps a limited field trial of the Sanctions Table process. Thus, Industrial Consumers strongly recommend that the SPM not include any mention to the "Sanctions Table."

No

Industrial Consumers agree that cost/benefit analysis of a proposed standards development effort is a critical part of sensible regulation. If properly performed, the efforts with the highest return on reliability can be addressed as a top priority – with some measurable economic justification behind them. Industrial Consumers have submitted comments on the CEAP and incorporate those comments by reference into these comments.

These comments relate to proposed revisions that have NOT been made but should be made. Industrial Consumers are quite concerned about the working relationship between the SC and the RISC. Industrial Consumers have submitted formal comments on the RISC Mandate and incorporate those comments by reference into these comments. The proposed revisions, in a text box, states: "As this recommendation is piloted [Section 4.1 – Standard Authorization Request], it is possible that some changes to the SAT process will be recommended but at this time no changes are proposed to the current process for handling SARs." Industrial Consumers agree that the RISC has not yet been formulated. However, Industrial Consumers believe that significant confusion, at best, may come from a process where some requests for NERC action on reliability issues and risks go through the RISC while others go directly to the SC. Industrial Consumers do not think that changes to the SPM should proceed unless and until this issue is resolved. We believe that this is a threshold issue. Specifically, Section #2 of the proposed RISC Mandate states: "The RISC is responsible for receiving reliability issues and risks from stakeholders, regulators, and the Board which meet the following criteria:" Industrial Consumers certainly agree with this statement – but it seems to bring some confusion. Specifically, some stakeholders feel that some SARs could (or should) be filed directly with the Standards Committee while other SARs, as well as other proposals for "reliability issues and risks," would go through the RISC. Industrial Consumers do not think that such a dual path is either desirable or workable. To resolve this potential problem, Industrial Consumers thus propose adding the word "all" between "receiving" and "reliability" in the RISC Mandate. The statement would then read: "The RISC is responsible for receiving all reliability issues and risks from stakeholders..." (Emphasis should NOT be in the actual document) Alternatively, if the word "all" is not added, Industrial Consumers strongly recommend that the RISC Mandate and the Standards Process Manual be modified to (a) explicitly define and describe the criteria that will be used to differentiate between those filings that go through the RISC and those that are filed directly with the Standards Committee and (b) make specific changes to the Standards Process (including changes to the Standards Process Manual) that would allow the Standards Committee flexibility to reject, or alternatively refer proposals, that are filed with the Standards Committee when, upon a determination by the SC, are not good or complete candidates for standards development. Since such changes have not been proposed, Industrial Consumers recommend that the proposed revisions to the SPM not proceed at this time.

Individual

Don Jones

Texas Reliability Entity

Yes

We support these revisions. However, if a commenter makes a comment or objection in an early comment period, and fails to repeat it in the formal comment period, will the comment or objection be deemed to be waived or abandoned? In Part 4.7, relating to "Formal Comment Period," we suggest adding the following provision: "To ensure full and individual consideration of a comment or objection and to preserve an issue for appeal, an entity should submit its comment or objection in the final formal comment period, even if it previously made the comment in a prior comment period (formal or informal) and the concern was not resolved."

No

Further clarification about when "No" votes will not be counted should be provided, per the discussion at the July Standards Committee meeting. In particular, it should be clear that any relevant comment

will be accepted and the corresponding vote will be counted. Would a comment like "This standard provides no reliability benefit" be sufficient?

No

(1) We do not understand this SPIG proposal, because we do not view VSLs as "redundancies" (redundant with what?). Furthermore, we do not understand how replacing VRFs and VSLs with the proposed Sanction Table addresses the SPIG concern – it merely replaces one process with a different but similar process. (2) We suggest that the proposal to replace VRFs and VSLs should be presented separately from the other SPM revisions and should not be part of the broader SPM revision project. The VRF/VSL proposal will unduly complicate this fast-track project. If presented as a separate project, the proposal to replace VRFs and VSLs can be evaluated on its own merits, and it can be debated deliberately and with due consideration to all of the pertinent issues and alternative approaches. (3) Texas RE understands the value in reducing the burden imposed on Standards Drafting Teams; however, Texas RE believes the proposed Sanction Table and accompanying procedural changes create unnecessary challenges with enforcing Reliability Standard Violations. The proposed Sanction Table represents a significant change in Compliance Enforcement operations and may require considerable procedural, process, and personnel staffing alterations. (4) The language associated with the proposed levels in the Sanction Table is ambiguous, broad, and imprecise. Furthermore, the thresholds to get to Level 3 and Level 4 are unreasonably high. The increased hurdle to reach such upper levels in combination with the indefinite language supporting each proposed level creates unnecessary challenges when implementing this proposal. (5) This proposal would be a move to more ambiguous, broad, and imprecise language than that in existing VSLs ("expected to adversely impact," "could impact," "unlikely to contribute"). Such ambiguous, broad, and imprecise language denies the regulated industry as well as the regional entities clear and concise direction in the enforcement of the NERC Reliability Standards. The Sanction Table will lead to inconsistent implementation and delay violation processing. (6) Similarly, the proposal will provide challenges when comparing the body of FERC-approved violations (and work-in-progress) with future violations enforced according to the proposed Sanction Table. There is nothing in this proposal regarding how Regional Entities, NERC, or FERC will ensure transparent or consistent outcomes. Violation severity levels (or their replacements) should ensure uniformity and consistency among all Standards in the determination of penalties. This proposal resembles a one-size-fits-all solution to a problem that requires nuance and careful, deliberate application. Every enforceable violation presents with a unique fact pattern. The proposal takes a mechanical, simplistic approach to risk. Any proposal in this dynamic NERC Reliability Standard regulatory environment that attempts to use such an approach requires careful examination prior to implementation. This is a significant change for Compliance and Enforcement. If a change of this magnitude is made, Texas RE recommends having more discussion and exploring additional alternatives before such a significant process change is implemented. (7) Texas RE does not see major problems with the existing VSLs, VRFs, or the existing Base Penalty Table. Texas RE does, however, see a problem with a few specific VSLs that could be fixed relatively quickly. In this light, there is value in maintaining the status quo with consideration or emphasis given to only a small subset of VSL or VRFs. Therefore, an alternative proposal is that maintaining the status quo be considered an effective option. However, Texas RE further proposes that Regional Enforcement personnel could provide recommendations to the drafting teams where Enforcement has already identified problems with existing VSLs. This will reduce any undue burden on the Standards Drafting Teams while also gaining the benefits that come from working within an existing, known, process. (8) To address the concern that Standards Drafting Teams are spending too much time and effort drafting VRFs and VSLs, Texas RE proposes that the Regional Enforcement Staffs, particularly the Enforcement, Sanction and Mitigation Working Group (ESMWG), could provide assistance and recommendations to the Standards Drafting Teams in writing and improving the VRFs and VSLs. (9) How does NERC intend for the proposed "Sanction Table reference" for each requirement to be treated in the revised SPM process? Will it be separate from the standard, like VRFs and VSLs are now, and subject to independent NERC and FERC revision; or will it be a full part of the Reliability Standard that is subject to ballot body approval and not subject to revision by NERC and FERC?

No

We agree that alternatives analysis should be an important consideration in the standards process, but we feel the proposed CEAP goes well beyond what is required and adds complexity and work that

is counterproductive to the overall effort to streamline and simplify the process. In short, we think the proposed CEAP is not cost-effective, that is, it will not provide benefits commensurate with the amount of effort required to do it right. And if it is not done right (which is a very real risk) then it will be wasted effort. We propose simply requiring each drafting team to produce a documented "alternatives analysis" explaining the alternatives they considered and why one was selected over the others.

(1) Why was "Additional Compliance Information" removed as a possible component of a Reliability Standard? (p. 10) That has been a legitimate and helpful component in the past. (2) Even with NERC's Quality Review process in place, there is still room for improvement in the quality of materials that are posted for ballot. We suggest that, under any revised process, the NERC-assigned facilitator/technical writer/project manager (may be more than one person) should be made clearly and fully responsible for the QUALITY of the SDT's work product. This would include compliance with the SPM and other applicable guidelines, consistency (both internally and with other standards), and editorial quality (e.g., unambiguous language, logical organization, completeness, and few if any obvious errors in final documents). The SDT technical members should remain fully responsible for the technical content of the standard.

Group

Salt River Project

Bob Steiger

Yes

SRP supports the modifications to the SPM as recommended by the SPIG

Yes

Yes

Yes

Yes

Individual

Terri Pyle

Oklahoma Gas & Electric

Yes

Yes

Assuming there is a mechanism for adding comments when casting the ballot. Previously, comments could be submitted individually using the official commenting process or as a group with those in support of the group comments providing that comment when the ballot is cast. Will this still be a mechanism or will individual comments utilizing the official comment form be required in order for a "negative" ballot to be used in the determination of the quorum and in calculating industry consensus? We support being able to provide a comment referencing a group's official comments as a means for casting a "negative" ballot and it being used in the quorum and consensus.

Yes

Yes

Yes

We encourage NERC to factor cost consideration into the standard development process.

Individual

Thad Ness

American Electric Power
No
Regarding SPIG looking into the issue of “no votes without comments”, it needs to be determined exactly why these kinds of votes are being cast and what challenges they might be causing. This needs to be fully understood and communicated before any solution is proposed and discussed. Until that is accomplished, we are unable to determine whether or not the proposed changes are the best course of action. In addition, we are very uncomfortable with the concept of somehow counting “no votes without comments” toward the quorum, and yet not count them towards the vote count itself. In essence, these votes would be counted as abstaining votes. It would be unacceptable to assign “no votes without comments” a different applicability or weight than “yes votes without comments”, as in the manner proposed.
Yes
In general, we support the direction that SPIG is taking in regards to eliminating VRFs and VSLs from the standard template in favor of a Sanction Table Reference. While this effort is taking place, we believe it is an opportunity to encourage SPIG to evaluate the current compliance practice that requires 100% compliance at all times, specifically in regards to requirements that have a very large scope and application. For example, these standards have driven entities to track many thousands of individual due dates which must all be met in order to be fully compliant. To track and meet this volume of distinct parameters is not only extremely challenging, but creates a statistical certitude that violations will occur. We suggest that future standards be developed in such a way that promotes the reliability of the BES in a manner which yields a more reasonable volume of milestones and deliverables to track and meet.
Individual
Michael Falvo
Independent Electricity System Operator
Yes
As long as voting remains a strong lever for adoption/rejection of a standard, we find these proposed changes acceptable.
Yes
It appears to be a fair attempt to focus the standard drafting and adoption process
Yes
As long as measures or similar guidance on how compliance will be assessed is provided, we are indifferent as to where that information is included.
While this seems like a much simpler approach and we understand how the change will conserve resources insofar as SDTs are concerned, we can't see how it will ensure consistency in application of sanctions; we are concerned that it will blur the landscape quite a bit and leave it entirely up to the auditors/investigators to apply those sanction guidelines in the context of each standard and situation.
Yes
The IESO has had concerns about the lack of an expedited process to address emergency standard approvals needed under special circumstances when, for example a reliability standard or interpretation is causing unintended consequences that could threaten the reliability of the bulk power system. In our opinion, the industry should grant authority in these circumstances to the NERC Board to act as quickly as needed and with only the amount of industry consultation that urgency allows. In other words, give the ability to act on good judgment to the NERC Board that is elected by the industry. NERC Reliability Standards Development Procedure makes provisions for urgent and emergency actions to be used when “a delay in implementing a proposed standard or revision can materially impact the reliability or security of the bulk power systems or is inconsistent with statutory or regulatory requirements for reliability standards, such as by causing adverse impacts on markets

or undue discrimination.” The IESO supports the Procedure by which the Standards Committee would have the accountability for determining if, in their judgment, an urgent action is necessary, but recommends that a distinction be made between “urgent” and “emergency” circumstances – with the NERC Board having the discretion to take emergency actions as discussed below. We believe that while this particular section of the NERC Reliability Standards Development Procedure proposes a single provision to cover urgent and emergency reliability standard revisions, clear distinction and separation should be made between an urgent situation requiring an urgent standard development and an emergency situation requiring an immediate action. An emergency reliability standard revision procedural step would give the NERC Board the authority to act on its own motion to address an issue on an interim basis immediately, with a follow-on process to then review and address the issue on a more regular timetable. The current revisions to the Standard Processes Manual include the deletion of the “Expedited Standard Development Process” section and the introduction of a new section titled Section 16: Waiver. The revised version of Standard Processes Manual includes, in Section 16: Waiver, a course for the practical implementation of the urgent and emergency reliability standard revisions in a single process. As discussed above, the IESO believes that the proposed process should also establish an overriding authority on the part of the NERC Board to move immediately to address a reliability emergency. Accordingly, while we believe that the new section makes appropriate allowances for the Standards Committee to waive any of the provisions contained in the Standard Processes Manual for good cause and provide sufficient flexibility to the Standard Committee in administering the urgent standard development process, additional provisions are needed to implement the recommended authority under which the NERC Board would act to address emergency circumstances which present an immediate threat to reliability.

Individual

David Thorne

Pepco Holdings Inc.

No

Not in agreement with to eliminate providing summary responses to comments for each formal comment period. For the stakeholders to understand the direction and thought process of the SDT, the feedback is needed after each formal comment period.

No

Only NO votes without any comments should not be included in the determination of outcome. If a NO vote has any comment it should be included in the quorum and the calculation.

Yes

No

It is not clear with the new sanction tables and the elimination of the VRFs and VSLs, how a determination of a violation would be determined.

Yes

Individual

Brian J Murphy

NextEra Energy Inc

Yes

NextEra Energy, Inc. (NextEra) agrees with streamlining the balloting and comment periods, while maintaining ANSI accreditation.

No

NextEra generally favors a clear bright line that only discounts a “no” vote when no comments are submitted.

Yes

NextEra agrees with moving the measures/examples of evidence to meet compliance to the RSAWs.

Yes

NextEra agrees with the elimination of VSLs; however, NextEra recommends specific edits to the new



Sanctions table. See NextEra's response to question 6, below.

No

Please see NextEra's comments filed on the CEAP.

NextEra submits the following comments for consideration: Sections 3.4 and 3.5 of the Standards Process Manual (SPM) The redlined SPM at page Section 3.4 reads in part: The Standards Committee may disband a drafting team if it determines (a) that the drafting team is not producing a standard in a timely manner; (b) the drafting team is not able to produce a standard that will achieve industry consensus; (c) the drafting team has not addressed the scope of the SAR; or (d) the drafting team has failed to fully address a regulatory directive or otherwise provided a responsive or equally efficient and effective alternative. NextEra suggests that the Standards Committee should have options other than disbanding the drafting team, such as adding members, in particular a facilitator and/or legal/technical writer. NextEra also believes that currently there are several structural issues that appear to cause drafting teams to be less than constructive at times, such as: (i) drafting teams insulate themselves or become reactive to such a degree that they are not responsive to stakeholder comments and (ii) drafting teams are not sufficiently coordinating with other drafting teams. The development of COM-002 and COM-003 appears are an example of a lack of coordination. To address these matters, NextEra suggests that Section 3.4 language above be revised to read: "The Standards Committee shall have the authority to at any time in the process: (a) to appoint a facilitator, legal or/and technical writer to a drafting team; (b) replace an ineffective facilitator, legal and/or technical writer; or (c) direct two or more drafting teams to consolidate efforts or coordinate with each other to reconcile any differences and produce consistent Reliability Standard requirements, white papers, etc. The Standards Committee shall also have the authority to disband a drafting team if it determines: (a) that the drafting team is not producing a standard in a timely manner; (b) the drafting team is not able to produce a standard that will achieve industry consensus; (c) the drafting team has not addressed the scope of the SAR or is producing work product outside the scope of the SAR; or (d) the drafting team has failed to satisfactorily or fully address a regulatory directive or otherwise provided a responsive or equally efficient and effective alternative." Consistent with the above language changes, NextEra suggests that "facilitators" be added to the language in Section 3.5 that lists the members of a drafting team (to complement the additions of compliance and legal personnel), so that each drafting team is required to have a skilled facilitator. NextEra believes that many of the current issues associated with drafting teams result from a lack of structure and facilitation. A skilled facilitator will be able to provide a structure and direct discussions so that progress and decisions can be made in a much shorter timeframe, while at the same time providing a forum for all voices to be heard, including stakeholders and those individuals working on quality reviews. Without the addition of facilitators, NextEra is concerned that many of the current issues that hinder effective drafting teams will continue. Section 7 of the SPM NextEra also believes that Section 7 on interpretations needs language that outlines what is a valid interpretation request. Currently the new language states what an interpretation is not. NextEra recommends that Section 7 include the following statements: A valid interpretation request is a request that seeks clarification or an interpretation of a word, term or sentence(s) of a Reliability Standard requirement. When drafting an interpretation, if the plain language meaning of the word, term or sentence is not clear, the interpretation team may review the record of the standard drafting team that drafted the Reliability Standard, including interviewing members of the standard drafting team to ascertain the intent of the word, term or sentence(s) at issue. The three new Sanction Tables NextEra believes that each of the new Sanction Tables need refinement. First, NextEra believes that level one for each table should start with a zero fine, not \$3,000, \$2,000 and \$1,000 as currently written. NextEra is concerned that without the discretion to implement a zero fine for level 1 that it unduly constricts the discretion of NERC and the Regional Entities to impose zero fines, including fines under the Find, Fix, Track and Report mechanism. Also, NextEra is recommending that each of the levels be re-worded as follows so to consider multiple scenarios: The Operations Sanction Table (OST) Level 1 – a violation did not and would not be expected to adversely impact electrical state or capability of the BES or the ability to monitor or control the BES. Level 2 - a violation did not, but could have directly and adversely impact electrical state or capability of the BES or ability to monitor or control the BES, and the violations did not, but could have in an unlikely situation contributed to BES instability, separation, or a cascading sequence of failures. Level 3 - a violation did not, but under likely circumstances could have contributed to impeding restoration, damaging equipment or non-consequential load loss or could contribute to BES instability, separation, or a cascading sequence of failures. Level 4 – a violation did or could have very

likely directly caused BES instability, separation, or a cascading sequence of failures. The Cyber Security Sanctions Table Level 1 – a violation could adversely impact Low Impact BES Cyber Systems; but did not or would not be expected to expose the electrical state or the capability of the BES; or the ability to effectively monitor and control the BES. Level 2 - a violation could adversely impact Medium Impact BES Cyber Systems; a violation could adversely expose the electrical state or the capability of the BES; or the ability to effectively monitor and control the BES. A violation of the requirement is unlikely to and did not lead to BES instability, separation, or cascading failures. Level 3 - a violation could adversely impact High Impact BES Cyber Systems; a violation did or could have impeded restoration, damaged equipment or non-consequential load loss or could have contributed to BES to instability, separation, or a cascading sequence of failures. Level 4 – a violation did or could have directly exposed the BES to instability, separation, or a cascading sequence of failures. Planning Sanctions Table Level 1 - a violation did not and would not be expected to adversely affect the ability to assess the long-range reliability of the BES. Level 2 - a violation did not, but could directly and adversely affect the ability to assess the long-range reliability of the BES. Level 3 - a violation did or could contribute to development of a long-range plan that, if followed, could adversely affect the BES' ability to respond to contingencies. Level 4 - a violation did or could directly cause development of a long-range plan that, if followed, could adversely affect the BES' ability to respond to contingencies.

Individual

Russ Schneider

Flathead Electric Cooperative, Inc.

Yes

No

I can't support the voting change even if it may still comply with ANSI standard development requirements. The ANSI process is generally used for voluntary standards rather than for mandatory/sanctionable standards, so that going above and beyond the ANSI process to provide a broad unfettered voting pool is appropriate. Requiring "related" comments with a negative vote, but not a positive vote dilutes the voting pool for those that disagree with the proposal. Tasking drafting teams with making this distinction of what is "related" seems problematic at best. In addition, this change could violate the due process mandate in Section 215 of the FPA requires NERC "provide for reasonable notice and opportunity for public comment, due process, openness, and balance of interests in developing reliability standards and otherwise exercising its duties" Allowing the drafting team to omit any negative vote and comment it deems not "related" does not appear to pass either a "due process" or a "balance of interests" test.

Yes

This may meet the SPIG recommendation and the approach seems to have merit, but it is unclear how this sanction table might be interpreted by the RE.

No

This Cost Effective Analysis Proposal is a good first step at giving a price tag to each of these standards. However, it is unclear what happens if the price tag is high and where does the consumer-elected governing body or state regulators have a say in whether that cost is worth the price. Regardless the analysis of the cost is a good first step. It is unclear if the information would be gathered early enough in the process of developing a standard for a standard to be cancelled due to cost concerns. Although, it would be difficult to pre-determine the cost of a standard that may change significantly in the development process, thereby increasing its regulatory cost burden. Generally, support the direction of the CEA proposal, but the issue of FERC exercising its reliability authority in areas where it does not also have rate making authority has created a situation whereby costs are created in a mandatory fashion, but the source of funding is an after-thought. Depending upon the outcome of the BES definition process, this tension may be eased somewhat if the focus returns to the bulk transmission system where FERC has more defined rate making authority.

Group

IRC-SCR

Terry Bilke

No
While we agree improvements can be made to the commenting process, some safeguards are needed. For informal commenting periods, the drafting team should be obliged to post a summary of the comments received and the changes made based on the posting. For formal commenting, drafting teams need to provide a response to each unique comment during a formal comment period. Comments received during the formal commenting period need to be posted. It's not clear why this language was stricken.
No
We have strong concerns with discounting negative votes without comments or the rejection of ballots for unrelated comments. Ultimately an individual has the right to say a standard is not needed and that no amount of tweaking will make it acceptable. The voting section is very confusing regarding abstentions and how these are accounted for in either the quorum or approval calculations. The confusion would be minimized if the current process was not changed. There was intermingling of "calendar days" and "business days" in this section. We believe the ballot body should get 10 business days to vote.
No
We agree that too much time and effort is spent on some of the compliance elements. The proposal appears geared more to taking the industry out of the process rather than saving total work (particularly for changes to the RSAW after the drafting team has been disbanded). We can't see how there is savings of work if a measure is crafted in an RSAW vs. a standard. Perhaps this could be explained better. If NERC moves to RSAWs rather than Measures, NERC needs to use input from the drafting team. The drafting teams also need some mechanism to voice concerns to the Standards Committee if their input is not used. Finally, NERC needs a transition approach to use present work in progress by drafting teams. If measures are retained, they should be included in the standard as opposed to the RSAW. This will support objectivity and is reflective of a consensus position developed in the standards process.
No
We agree there is much wasted effort with regard to VRFs and VSLs. But it appears the proposal is to take one confusing process and replace it with another confusing process that has less industry input. The approach needs to be simplified such that it can be explained on a single page each for VRFs and VSLs. We also have concerns with the proposed sanctions tables that are associated with this proposal. For each category, the proposed sanction should expand from zero to the maximum determined by the risk-outcome combination. To do otherwise complicates the FFT and spreadsheet NOP process (it requires additional documentation to prove why the sanction is less than that allowed by the table).
No
We agree that the CEAP as proposed is a good start. Since the changes to the SPM were to support the SPIG recommendations. The "steering group" and the concept of cost effectiveness need to be brought into Section 4 (Process for Developing, Modifying or Retiring a Reliability Standard"). The underlying precept of the SPIG is that we need to move away from a volumetric approach to standards, to a focused development of standards that add value and provide an ALR. As part of the SAR process, there needs to be a triage that clearly addresses what's missing in ALR, and how the standard will provide it. The process of opening a solicitation every year seeking ideas for new Standards Development proposals should be stopped. The industry is overwhelmed with standards actions. If the issue is important enough to be a standard, a SAR should be submitted.
Question 6 (Other Comments) Interpretations We have concerns with section 7.0 . The section states an RFI should be rejected if (1) an issue can be addressed by an active standards development activity; (2) RFI request clarity on any items other than a Requirement; and (3) an RFI has already been addressed in the "record." First, the BOT has clarified that a valid RFI need not be limited to the Requirements in a Standard and that a RFI can take into account other parts of the Standard as well as materials that were developed in support of a Standard (i.e. whitepaper, technical guidelines, Q&A, etc.). Second, waiting for a standards development activity to create the requested Interpretation may not be an option, many projects take a year or more and then have to be filed and acted upon by appropriate governmental authorities. In the meantime, lack of a RFI may result in inappropriate enforcement action due to EAs determining their own Interpretation. Finally, it appears that the (2) and (3) completely contradict one another. We suggest the new paragraph in the Interpretation

Section (7.0) be removed as staff makes recommendations for any standards action and this need not be in the SPM: "The NERC Reliability Standards and Legal staffs shall review the final Interpretation to determine whether it has met the requirements for a valid Interpretation. Based on this review, the NERC Reliability Standards and Legal staffs shall make a recommendation to the NERC Board of Trustees regarding adoption." There needs to be some transparency with regard to rejected interpretation requests. There should be a public posting of rejected requests and the reasons for the rejection. We disagree with the need for interpretation drafting teams to automatically create SARs if they believe there is a reliability gap or if the drafting team says an interpretation can't be crafted. The industry should be asked if they agree with the drafting team's decision before any further effort is expended. Compliance Waivers There remains language allowing for "waivers" of enforceable requirements for field trial purposes. Since the enforceable requirements are essentially backed by law, perhaps NERC should request a policy statement from the applicable governmental authorities that the authorities recognize NERC-approved waivers. Withdrawals Section 4.18 proposes to give the SC additional authority to "withdraw" Standards, Interpretations, and Definitions for "good cause" once the Standards, Interpretations, or Definitions has already been approved by industry and the BOT. We have concerns with the lack of definition on what constitutes "good cause" and the underlying need that drove this change. This is problematic, given that as a minimum, both the Industry and the Board have previously approved the action. If this section is retained, there needs to be some due process around the withdrawal of an industry and Board approved action. As a minimum, there should be advance notice and opportunity for comment, with the results of the comments provided to the BOT. Disbanding Drafting Teams Regarding section 3.4 (Standards Committee), there needs to be transparency and due process with regard to disbanding drafting teams. The drafting team should be able to make a written statement of the underlying causes of delay and present this to the SC before it is disbanded. With regard sub-bullet c under why a drafting team should be disbanded, a SAR only sets the maximum bounds of a standard. The team need not address all aspects of a SAR if dictated by industry comments. Variances The section on "variances" implies that a variance is needed for "a conflict with an approved tariff"; it is our understanding that where there is a conflict with existing tariffs or market rules, the tariffs take precedence. Waived Actions Section 16 will as a minimum, lead to a perception of abuse of the process. There needs to be transparency of each waived action. This would include public notice and an ongoing record of waived provisions. This will assist NERC and the industry in identifying underlying drivers that are causing delays and provide a safeguard to potential challenges on the legality of the standards.

Group

Hydro One

Sasa Maljukan

No

Due to the uncertainty of the CEAP and not knowing the responsibilities of the RISC at the time of this posting, it is premature to agree that the revisions adequately address the SPIG recommendations. The RISC scope must be developed and communicated so that there is a clear differentiation with respect to the roles and responsibilities that the Standards Committee currently has.

No

Hydro One disagrees with the proposed approach for the treatment of negative votes without comments or with comments that are judged to be unrelated to the standard. We believe that while it is desirable for SDTs to know what the objections are, negative votes should be always counted for both the quorum AND the consensus result. The approach should be one of reaching out to the members with negative votes giving them ample opportunity to explain. This can be done through direct contact, modifications to the balloting software, immediate access to the comments submitted by others so they can concur and agree, etc. We recognize that some safeguards were added to the proposed SPM to allow for some of the above. However, in order to make it appear fair, a review/report/appeal process was added. The result is that ballot results will not be final until such process is completed, which could in certain cases take several months. The above will introduce delays that could in cases more than offset any time gains obtained by the efficiencies introduced in other parts of the process. We believe the ballot process must be open, simple and efficient. If the reaching out and communication initiatives mentioned above are implemented, we see no reason to change the way ballots are currently counted, that is, count ALL negative votes, including those without comments in the consensus results. If the proposal is implemented, we request that (a) software is modified to allow check-boxes to be used to indicate objections; (b) access to comments

submitted by others immediately after received; (c) software should accept as valid concurrence with comments submitted by other entities; (d) opportunity to submit comments during recirculation ballots which currently does not exist. It also raises the question on hat Criteria constitute a valid interpretation being used by NERC Standards and Legal Staff?

Yes

We request that RSAWs are subject to the same Quality Review that is currently used for Standards.

No

The title of the tables should be changed to 'Operations' Sanctions Table Guidelines, 'Cyber Security' Sanctions Table Guidelines, and 'Planning' Sanctions Table Guidelines. Are these three tables intended to encompass all standards? What about FAC, MOD, PRC, etc. standards?

No

The revision does not reference the CEAP so does not adequately address the SPIG recommendation. The CEAP is a separate and proposed guideline document not referred to in this SPM.

a) The proposed SPM now contains provisions for the case when a ballot closes on a day which is a Saturday, Sunday or a federally-recognized United States holiday. We agree with the concept and believe it should be extended to all standards development activities, such as comment periods. Consideration must also be given to Canadian Holidays (national and those used in most Provinces).

b) Section 16 is a new section giving the SC authority to "waiver" the process steps. More transparency is needed when a waiver is exercised and a justification process should be required. The concept of a waiver provision with appropriate controls/qualifications to ensure the provision must be used appropriately and with prudence. As drafted, it is too broad. The provision should require a clear demonstration of why the SPM process is inadequate in the circumstances where a waiver is permitted. Suggest the following edits to the first two bullet points following "limited to the following circumstances": • Where the standards team demonstrates that the SPM process will not allow the team to meet regulatory deadlines set by FERC; • Where the standards team demonstrates that the SPM process will not allow the team to meet deadlines imposed by the NERC Board of Trustees; or. . .

c) A new paragraph in Section 4.18 proposes to give the SC additional authority to "withdraw" Standards, Interpretations, and Definitions for "good cause" once the Standards, Interpretations, or Definitions has already been approved by industry and the BOT. There appears to give NERC staff authority to discontinue to process Interpretations after the BB approves them. It states, "The NERC Reliability Standards and Legal staffs shall review the final Interpretation to determine whether it has met the requirements for a "valid" Interpretation. Based on this review, the NERC Reliability Standards and Legal staffs shall make a recommendation to the NERC Board of Trustees regarding adoption." d) Standards Drafting Team Composition: We support the changes to Section 3.6 with regard to composition of drafting teams. However, we believe that the standards drafting teams need more defined leadership in order to operate effectively, especially if quality review will be an ongoing process. We recommends that this section be further revised to designate a project manager for each Standards Drafting Team with a defined role to: 1) ensure project deliverables and deadlines are met; 2) be responsible for oversight of the quality review process; 3) ensure the work of the team remains within the scope of the SAR. NPCC is not suggesting that a new position be created, but that a better-defined project manager function could be incorporated into either the role of the team chairperson or the team's NERC facilitator. With the addition of more non-technical experts to drafting teams, the project manager role might be better served by a non-technical member of the team.

Individual

NERC Staff Compliance Operations and Enforcement

NERC

NERC Staff Compliance Operations and Enforcement comments: The Standards Process Input Group (SPIG) organized by the NERC Member Representatives Committee (MRC) proposed a number of recommendations for changes to the way NERC develops Reliability Standards. One of the specific recommendations to improving the NERC Standard Development Process is revising the essential elements of the Standards Template to eliminate redundant or unnecessary activities, such as drafting of Violation Severity Levels (VSLs). NERC Enforcement supports efforts to improve the

Standard Development Process. There have been several proposals to accomplish this objective. One proposal offered by the NERC Standards Committee Process Subcommittee (SCPS), and the subject of this comment process, would revise the existing NERC Base Penalty Amount Table to eliminate the Violation Risk Factor (VRF) and the VSL. Another proposal introduces the development of a pro forma VSL while retaining the existing VRFs. It is likely that additional approaches will be offered during this comment period. While NERC Compliance Operations and Enforcement staff is not at this time specifically endorsing any of the proposals presented, there are several principles that each proposal should meet to ensure that the process is effective and can be administered by NERC and Regional Entity enforcement and complies with FERC orders:

- The approach should contemplate existing FERC guidelines on setting VRF/VSL levels and defining base penalty amounts.[1] We would note that FERC has articulated a number of fundamental principles communicated in these guidelines, including:
  - o Penalty amounts must be per violation, per day not per violation, per occurrence;
  - o A penalty level of \$1M per violation, per day must be available for serious violations;
  - o VSLs should not have the unintended consequence of lowering the current level of compliance;
  - o VSLs should be based on a single violation, not on a cumulative number of violations;
  - o VRF/VSLs should ensure uniformity and consistency within and among reliability standards;
  - o VRF/VSLs must have a single, consistent description;
  - o Risk factor assignment should not allow a watering down of the VRF where a requirement co-mingles more than one obligation;
  - o Any approach should permit discouraging economic choice to violate a reliability requirement based on penalty amount; and
  - o Any approach should recognize a risk is not minimal simply because there was no adverse impact to the Bulk Power System or if it reveals a serious shortcoming in a registered entity's reliability-related processes.[2]
- Any approach should address risk and harm levels in the base penalty determination.
- Penalty matrix must permit access to all levels of violation risk/severity for a given violation.
- The proposal should ensure consistency with past penalty determinations and the calculation of future penalties. This should be demonstrated by sample calculations under the existing and proposed approaches.
- Level definitions must be clear and concise and not create ambiguities that could delay settlement negotiations or engender a lack of clarity in base penalty calculations.
- Elements comprising the base penalty determination should be as objective as possible.
- The base penalty calculation process should not re-write the standards/requirements to which they apply.
- The process should be straight-forward and intuitive in application.

NERC Compliance Operations and Enforcement staff believe that the proposals presented through this comment process should receive full consideration, in light of the basic elements presented above, and looks forward to working with the Regional Entities and the industry in their evaluation. --- end notes --- [1] Orders addressing FERC guidance on VSL/VRFs include: Order on Violation Severity Levels Proposed by the Electric Reliability Organization, 123 FERC ¶ 61,284 (June 19, 2008); Order on Rehearing and Clarification and Accepting Compliance Filing, 125 FERC ¶ 61,212 (November 20, 2008); Order on Compliance and Rehearing, 135 FERC ¶ 61,166 (May 19, 2011); Order Addressing Violation Severity Level Assignments for Critical Infrastructure Protection Reliability Standards, 130 FERC ¶ 61,211 (March 18, 2010); Order on Violation Risk Factors, 119 FERC ¶ 61,145 (May 18, 2007); Order on Rehearing and Compliance Filing, 120 FERC ¶ 61,145 (August 9, 2007); Order Accepting with Conditions the Electric Reliability Organization's Petition Requesting Approval of New Enforcement Mechanisms and Requiring Compliance Filing, 138 FERC ¶61,193 (March 15, 2012); and Order on Compliance Filing, 118 FERC ¶61,030 (January 18, 2007). [2] The Commission has also provided the following guidance specific to a cyber security context: 1) a binary VSL, rather than a graduated VSL, should be applied for requirements where a single lapse in protection can compromise computer network security and 2) VSLs for interdependent tasks should account for the interdependence.

**Group**

AECI and the G&T members Central Electric Power Cooperative, KAMO Power Cooperative, M&A Electric Power Cooperative, Northeast Electric Power Cooperative, NW Electric Power Cooperative, and ShoMe Power Electric Cooperative

John Bussman

Yes

However, the process should ensure that the last comment period before balloting will be a formal comment period, and each and every comment will be responded to. This could be in summary of many if similar or individually.

No
AECI and its' member G&T understands the reasoning for the desired change to the balloting process. However, we disagree with the changes that exclude negative votes without comment. AECI believes this process will not reduce the time to get a standard to BOT for approval. In fact with all the potential appeals and the process associated with the appeals process it will take longer for a standard to get to the BOT for approval. If "NO" votes w/o comment are not counted they should not be counted to create a quorum. On a side note; other means to assist voters to include a no vote reason have not been proposed here even though they were discussed. The current NERC balloting process is objectionable and does not provide an adequate means to include a reason for a negative ballot. NERC has not demonstrated nor communicated adequately that this issue can be adequately managed, therefore, No votes should count.
Yes
AECI agrees with the concept in theory. What that means is that some measure to a requirement needs to be available prior to balloting. Therefore if the RSAW is available to review prior to balloting on the standard then we support the proposed revision. However, if the RSAW is not available prior to balloting, then the measures need to stay within the standard. AECI assumes that the RSAWs would go out for comment and non-binding ballots.
Yes
AECI supports removing the VSLs from the SPM and going to a sanctions table.
No
AECI does not believe that the CEAP has been adequately described and it needs further development. Industry should be the ones overseeing the documents and deciding when they are ready for SC or RISC review and consideration, not NERC. This question in the SPM Comment form is premature. The CEAP ballots comments are just now being reviewed, July 26 & 27. There are a number of CEAP provisions that need additional work. We need to wait for the CEAP comment and revision process to play out before balloting it on another document like this SPM comment form. NERC has not taken the time needed to appropriately develop this topic.
Individual
Scott McGough
Georgia System Operations
Yes
While we encourage efficient use of resources and have no objection to responses being written in summary form, we believe it is imperative that the SPM require that every issue raised in a comment be responded to. The permission to respond in summary form cannot be used as permission not to respond to a difficult issue simply because only a single commenter raised it.
Yes
The revision addresses the SPIG recommendation; however we disagree with the revision and the recommendation for the following reasons: We do not believe that it will improve the Standards Development Process. We believe that the vast majority of "no" votes without comments are expressing fundamental disagreement with the standard. This belief is based on the fact that if an entity has a specific item they would like changed it is to the entity's benefit to make a comment requesting the change, but if the entity disagrees with the need for the standard, there is no benefit to the entity in making a comment. Accordingly many entities that are currently voting "no" without comment will now simply vote "no" and state a philosophical disagreement. Hence there will be no significant change in the process or result. We believe the phrasing of the question reveals a fundamental shortcoming in the proposal which is the assumption that the only valid comments are those that are helpful in modifying the language of the standard to make it acceptable to the commenter. It is perfectly acceptable (and protected by ANSI) for an entity to express fundamental disagreement with the core intent of a standard and base a "no" vote on a philosophical comment to that effect. It is disturbing that the question refers repeatedly to "constructive" comments but never mentions comments expressing philosophical differences with the approach the SDT has taken. We are concerned that there would be a tendency to omit or downplay entities' rights to make such comments in order to improve the likelihood of standards being approved. Restricting a person's right to vote is simply un-American (we cannot speak for our Canadian neighbors. but it is our

understanding that it is a fundamental issue there as well). In this country we go to great lengths to ensure that every person's vote is counted. It goes against our instincts to propose eliminating votes on what many will see as a technicality. We feel it will do far more to damage NERC's reputation and create mistrust throughout the industry than it will do to improve the efficiency of the standards development process. Because of the necessary appeals procedures, this proposal will in fact extend the standards development process and make it less efficient. Alternative measures would be more effective at increasing the number of comments than this proposal without the negative side effects. One possible approach would be to modify the on-line forms to encourage comments by enabling users to give input by selecting options (e.g. standard is not clear enough, cost to benefit ratio is too high, do not believe standard will improve reliability, agree with approach but disagree with specific values or thresholds) as well as free-form comments.

No

GSOC is ambivalent regarding the elimination of Measures. To us the key is not where information is found, but that: 1) the information is well documented and useful to entities and 2) that there is a clear understanding of its purpose and limitations. The proposed changes to the SPM introduce references to RSAWs but do not adequately state the purpose and limitations of RSAWs. It needs to be made very clear that the requirements will remain the only enforceable language and that the intended meaning must be conveyed by the requirements themselves without reference to the RSAW. We are concerned that we may merely be trading poorly written measures for poorly written RSAWs. Wherever this information is located it should provide examples of the type of information an auditor might expect to see as proof of compliance while making clear that it is not a limitation on what evidence can be used. Wherever the information is located, we agree with specifying situations where an attestation would be appropriate, but this should not preclude submitting an attestation in a situation where it is not specified because it is impossible to foresee every scenario. We disagree with specifying what non-compliance would look like; we believe that is beyond the scope of an RSAW. It is the entity's responsibility to show compliance to the standard. Non-compliance should simply be the failure to show compliance. There should be a process for later changes to the RSAW without SDT input (by NERC compliance staff) with some level of review (SC approval perhaps) and an opportunity for industry comment.

No

We do not believe the changes to the SPM are clear enough to adequately address the SPIG recommendation. We agree that VSLs are in many cases not helpful and that a fundamental change needs to be made instead of fine tuning, but the current proposed revision does not provide enough information to provide a thorough response. More detail is needed on how the Sanction Table would be used. Our understanding is that the SDT would only provide input on the appropriate row of the Sanction Table for each requirement, and that the appropriate column would be determined after reviewing the facts surrounding the actual occurrence. We agree with that approach, but there is nothing in the SPM to indicate that this is actually how it would work. Also, the headings in the Sanctions Table are contrary to that understanding. The first heading in the table is: "a violation is not expected to adversely impact electrical state/capability of BES or ability to monitor/control BES". If the column is evaluated with respect to a specific incident it should refer to "the" violation instead of "a" violation. Also the language "is not expected to" would not be applicable since the event has already occurred; consider replacing it with "did not" or "did not have the potential to". If we are incorrect and the SDT would specify both the column and the row of the table, we disagree with the approach. Different violations of a requirement can vary drastically and should not all be placed in the same column.

No

There is insufficient detail in the CEAP proposal to provide substantive input. A more detailed vision of the plan to implement this proposal is needed. We recommend doing an informal trial of this approach on a small number of selected standards and developing a more detailed proposal based on the results of that trial. We emphatically agree that it is advisable to include consideration of cost-benefit in the development or revision of Reliability Standards.

Group

Western Electricity Coordinating Council

Steve Rueckert



Yes

WECC supports this revision provided that the drafting teams are still required to review and consider all comments received. Section 4.5 of the proposed revisions to the SPM explains that drafting teams are not required to provide responses to feedback from informal comment periods and we support this. However, WECC suggests that clarification be added that indicates the drafting teams must consider the feedback. Without the requirement to consider the feedback, there is no reason for even seeking the feedback.

Yes

WECC believes that the proposed revision adequately addresses recommendation 4 provided the intent is to encourage meaningful feedback to the drafting teams. WECC would be opposed to any change in this area that was intended to allow negative votes to be discounted for the sole purpose of advancing a standard by improving the approval percentage.

Yes

No

WECC appreciates the opportunity to comment on the NERC Standards Committee Process Subcommittee (SCPS) Proposal related to the elimination of Violation Risk Factors (VRFs) and Violation Severity Levels (VSLs). From a Standards Development perspective, WECC agrees that the proposed revision adequately addresses SPIG Recommendation 4. The concept of a predefined set of Sanctions Tables, one for Operations Requirements, one for Planning Requirements, and one for Cyber Security Requirements, with each including four violation levels for Performance-based, Risk-based, and Capability-based requirements, would greatly reduce the burden on and the time required of the drafting teams in developing the individual VSLs for each requirement of a standard. The proposed revision would also force the drafting teams to consider the language and content of each requirement helping ensure a results-based requirement that was Performance-based, Risk-based, or Capability-based was drafted. It would also greatly reduce the time expended by the industry in reviewing and commenting on VSLs during the drafting period. In addition, it would do away with the time and effort required to revise VSLs during drafting if the requirements had to be revised based on stakeholder feedback. All of these are positives and have the potential to greatly reduce the amount of time it takes to develop a new or revised reliability standard. However, from an enforcement perspective WECC has concerns. WECC Enforcement staff understands the value in reducing the burden imposed on Standards Drafting Teams; however from an enforcement perspective, WECC Enforcement staff believes the proposed Sanction Table and accompanying procedural changes create unnecessary challenges with enforcing Reliability Standard Violations. The proposed Sanction Table is a significant change in Compliance Enforcement operations and may require considerable procedural, process, and personnel staffing alterations. Therefore, WECC provides the comments below in order to specify a number of concerns, from an enforcement perspective, with the SCPS Proposal and to propose alternative solutions to achieve a desirable outcome. WECC Enforcement staff coordinated the development of these comments with the Texas Reliability Entity (TRE) and WECC understands that TRE supports the position reflected by these comments, but we do not speak for TRE. From an enforcement perspective, WECC has the following concerns: 1. The language associated with the proposed levels in the Sanction Table is ambiguous, broad, and imprecise. Furthermore, the thresholds to get to Level 3 and Level 4 are unreasonably high. The increased hurdle to reach such upper levels in combination with the periphrastic language supporting each proposed level creates unnecessary challenges when implementing the SCPS Proposal. The SCPS Proposal is a move to more ambiguous, broad, and imprecise language than that in existing VSLs. Such ambiguous, broad, and imprecise language denies the regulated industry as well as WECC Enforcement staff clear and concise direction in the enforcement of the NERC Reliability Standards. 2. The Sanction Table will lead to inconsistent implementation and delay violation processing. Given the ambiguity described in (1), inconsistency in penalty assessments will likely increase throughout all Regional Entities. Similarly, the proposal will provide challenges when comparing the body of FERC-approved violations (and work-in-progress) with future violations enforced according to the proposed Sanction Table. There is nothing in the SCPS proposal regarding how Regional Entities, NERC, or FERC will ensure transparent or consistent outcomes. Violation severity levels (or their replacements) should ensure uniformity and consistency among all Standards in the determination of penalties. 3. The SCPS proposal overstates problems associated with enforcing violations using the active VSLs. Currently, there are a few problems with specific VSLs: there is not a problem with all VSLs. WECC Enforcement sees an

opportunity to fix some VSLs, e.g., there is an opportunity to provide additional granularity given the limited levels associated with a subset of Reliability Standards, including, for example, the CIP Standards. 4. The SCPS proposal resembles a one-size-fits-all solution to a problem that requires nuance and careful, deliberate application. Every enforceable violation presents with a unique fact pattern. The proposal takes a mechanical, simplistic approach to risk. Any proposal in this dynamic NERC Reliability Standard regulatory environment that attempts to use such an approach requires careful examination prior to implementation. 5. This is a significant change for Compliance and Enforcement. If a change of this magnitude is made, WECC Enforcement recommends having more discussion and exploring the alternatives, some of which are proposed below, before such a significant process change is implemented. WECC Enforcement Staff provides the following as possible alternative solutions.

1. Complement and Supplement Existing Process WECC Enforcement staff does not see major problems with the VSLs, VRFs, or the existing Base Penalty Table. WECC Enforcement staff does, however, see a problem with a few specific VSLs that could be fixed relatively quickly. In this light, there is value in maintaining the status quo with consideration or emphasis given to only a small subset of VSLs or VRFs. Therefore, WECC Enforcement staff proposes maintaining the status quo be considered an effective option. However, WECC Enforcement staff further proposes that Regional Enforcement personnel could provide recommendations to the drafting teams where Enforcement has already identified problems with existing VSLs. This will reduce any undue burden on the Standards Drafting Teams while also gaining the benefits that come from working within an existing, known, process.

2. Develop Expedited Process WECC Enforcement staff appreciates the Standards Drafting Teams concerns that they are spending entirely too much time drafting VRFs and VSLs. To address this concern, WECC Enforcement staff proposes that the Regional Enforcement Staffs, particularly the Enforcement Sanction and Mitigation Working Group (ESMWG), provide recommendations to the Standards Drafting Teams to improve the VRFs and VSLs. Further, the ESMWG could also review proposed VRFs and VSLs, which could streamline the creation of new VRFs and VSLs. The Commission previously directed NERC to develop VSLs “either through the Reliability Standards development process or through another expedited process” (emphasis added). In that context, there is an opportunity for currently existing working groups, e.g., the ESMWG, to provide for the other “expedited process” that the Commission may desire. At present the ESMWG is comprised of NERC and Regional Enforcement managers and leaders. The ESMWG representatives are uniquely positioned to take on this role. Specifically, the ESMWG representatives ultimately implement, enforce, and defend VRFs and VSLs in all enforcement actions. In the Western Interconnection, WECC Enforcement has resolved nearly 2000 violations with FERC. In each case, WECC Enforcement reviewed the violation facts and circumstances and applied a VSL and VRF in each applicable case. As stated in (1), WECC Enforcement staff has determined a few specific VSLs could be fixed relatively quickly. WECC Enforcement staff made this determination based on their experience resolving violations with Registered Entities, NERC, and FERC. The approach also ensures some level of continuity is maintained throughout the drafting or revision processes, as Regional Enforcement Departments are fully staffed with full-time, long-standing employees. Thus, while new Standards Drafting Teams may always be necessary, there would be a reduction in the development or re-learning process associated with each team as such teams can rely on a stable knowledge base (i.e., Regional Enforcement personnel).

3. Continue Existing Work in this Area WECC Enforcement staff notes that significant work has taken place in the continued development of streamlined methods for VSL drafting since the Standards Drafting Teams first identified the burden. WECC Enforcement staff believes that the enforcement staffs of each of the eight Regional Entities agree that the previously proposed “pro forma” VSL approach is not a workable solution. WECC Enforcement staff also recognizes furtherance of related work on this project may achieve the desired results of the SCPS Proposal (i.e., eliminate the burden associated with VRF and VSL drafting). For example, following the failure of the pro forma VSL proposal, WECC Enforcement staff understood the next project to include template-based VSLs with associated fill-in-the-blank verbiage. Furtherance of template-based VSLs that allow for the unique nature of specific requirements is likely to lead to consistent VSLs and a reduced drafting and resource burden on the Standards Drafting Teams, with minimal noticeable change in processes or compliance approach. In conclusion, WECC Enforcement staff is supportive of providing relief to Standards Drafting Teams, however we suggest NERC, Regional Entities, and the regulated industry ensure a successful transition to such a drastic change, rather than be forced into a tight deadline. Given the concerns outlined above, if NERC and industry adopt and move to implement the SCPS Proposal, WECC Enforcement staff requests that Regional Enforcement personnel take ownership of the proposed Sanction Table and work in concert with NERC Enforcement personnel

to craft fair and reasonable language in support of the respective Sanction Table levels.
Yes
Individual
John Seelke
Public Service Enterprise Group
Yes
No
First, we ask whether last paragraph above should have referred to Recommendation 1 instead of Recommendation 4. Second, with the objective of maximizing transparency, we would like to see the ballot results posted to show which ballots were rejected that meet the criteria for not counting "Negative" ballots. We believe that this information should be made public as soon as possible after the ballot window closes, even though the process in Section 4.11 for addressing a negative ballot may not be completed. If this change is made to the SPM, we would agree with the treatment of "Negative" ballots.
No
Measures" were previously approved by the RBB, the NERC board, and regulatory authorities. We do not object to measures being incorporated into RSAWS provided that the this SPM draft is revised to give the RBB the opportunity to provide comments on the RSAWs (a) in parallel with the standard development and (b) at any time RSAWs changes are proposed.
No
The statement in the question that "the revised Standard Process Manual eliminates VRFs and VSLs from the standard template in favor of a Sanction Table Reference (Results-Based Requirement Category Reference) to conserve drafting team and stakeholder resources and ensure consistency in the application of sanctions" will not occur even if the new SPM were passed as written. It would only occur if the proposed sanctions table is adopted to replace the table in Appendix A, Base Penalty Amount Table. Otherwise the result is no change. This is only made apparent by a careful reading of the clean SPM section on page 8 labeled "Standards Table Reference." We believe that is important detail should be made clear to stakeholders. In addition, the SPM should make it clear that the Sanctions Table will be posted with the standard when it is balloted. We therefore suggest a new sentence be added to the first paragraph in Section 4.7 that states "Each new or modified standard will include all the elements of a Reliability Standard as delineated in Section 2.5." With this addition, we would approve the Sanctions Table.
No
We do not support the CEAP as written. Please see our separately submitted comments on the CEAP matter.
a. In section 3.5, the term "RSAW" is first used in the SPM (other than in text boxes) and should instead be replaced by: Reliability Standard Audit Worksheet ("RSAW"). b. Section 4.5 has footnote 17 that states "The quality review will be conducted in accordance with the Standards Committee's approved procedure for conducting Quality Reviews." The footnote should provide a link to this procedure. c. Section 1.4 should have a new bullet added that's entitled "Communications Among RBB Members" that states "Registered Ballot Body members may use NERC e-mail "list serves" for their sector to exchange ideas and comments regarding a proposed standard at any time, including when the ballot window described in section 4.9 is open." This will encourage RBB discussion on issues impacting a standard. d. In Section 13, the term "American National Standards" should be defined. e. We strongly object to Section 16 – Waivers. We have several concerns: i. The objective of the SPM is to produce quality standards, and if any of the processes are waived, the result will be rushed and lower quality standards. The ability for the Standards Committee to waive, for good cause, "any of the provisions contained in this manual" is too broad and unconstrained. From a stakeholder perspective, Section 16 completely eviscerates the other changes to the SPM and undermines stakeholder trust in the process. ii. For regulatory imposed deadlines, procedures and processes are in place in the ROP (Section 309.3) and the current SPM (expedited standards

development process). Yet this expedited process section has been stricken in the proposed SPM changes. This deletion would be inconsistent with Section 309.3 which specifically references it. The expedited standards development process should be retained. If it does not adequately address the first two bullets in Section 16, then modifications to the expedited process should be proposed. iii. At a minimum, waivers to the SPM should be preceded by the following: a) The posting of an SC document to the RBB that describes the reason for the requested waiver, including the threat to reliability, and what processes would be changed by the waiver. b) A short (10 day) period for accepting RBB comments. c) After comments are received, the SC may either withdraw the waiver or request its expedited approval by the NERC board, ensuring that the board is supplied with the comments received. f. We suggest balloting all SARs, either through the RISC or the appropriate technical committee (OC, PC, or CIPC), to verify the initial need for a standard change. These are all stakeholder bodies with technical expertise. This process would ensure that reliability standards have passed a "reliability need" review before being processed by the SC. The threshold for approval could be lower than the typical 2/3 approval (e.g., it could be a simple majority) to ensure that more SARs proceed to the SC for processing.

Individual

Bob Thomas

Illinois Municipal Electric Agency

No

Illinois Municipal Electric Agency (IMEA) supports comments submitted by Florida Municipal Power Agency.

No

A "No" vote should be included in both the determination of quorum and determination of consensus regardless of submittal of comment. In order to achieve better use of NERC and registered entity resources, and timely adoption of better reliability standards, the SDT should not be spending time assessing whether a comment is related to the proposal under consideration; i.e., critiquing the quality of a comment. NERC should also not be spending resources to develop tools to link a ballot pool member's vote to comments. The separate comment process should be adequate to provide the SDT constructive input and improve timely stakeholder consensus. If a ballot pool member appears to be abusing the ballot process, this can be addressed through other means.

No

Illinois Municipal Electric Agency (IMEA) supports comments submitted by Florida Municipal Power Agency.

Yes

Illinois Municipal Electric Agency (IMEA) supports comments submitted by Florida Municipal Power Agency.

No

Illinois Municipal Electric Agency (IMEA) supports comments submitted by Florida Municipal Power Agency.

A factor in timely adoption of better reliability standards that doesn't seem to get mentioned very often is the amount of time to achieve regulatory approval. It is my understanding that FERC staff is now more involved in the actual STD standards development process, and that is encouraging. FERC should continue to be encouraged to not duplicate what has been statutorily delegated to NERC once a proposed standard has been filed with FERC for approval. The self-regulatory process should be allowed to work. If a need is identified after a standard is approved, it can always be refined; i.e., give the standards product a chance to work. A reasonable time limit for regulatory approval action may be appropriate. Illinois Municipal Electric Agency (IMEA) also supports comments submitted by Florida Municipal Power Agency.

Individual

Andrew Gallo

City of Austin dba Austin Energy

Yes

Yes

Yes
No
Although Austin Energy (AE) does not oppose the concept of Sanctions Tables, we believe the tables ought to be designed differently. More specifically, we believe the Level 3 violation language should read, "Violation IS LIKELY TO contribute to impeding restoration, damaging equipment or non-consequently load loss or IS LIKELY To contribute to BES instability, separation or cascading sequence of failures." Additionally, we believe the Level 4 violation language should read, "Violation CAUSED BES instability, separation or cascading sequence of failures."
No
AE strongly agrees with the idea of employing a cost/benefit analysis before creating new standards or revising existing standards. However, we believe the proposed CEAP will create too much additional burden on the industry. We recommend following the Phase I ("Cost Impact Analysis") as currently proposed (i.e. the "high level" analysis) and then, instead of going directly to the "Cost Effectiveness Assessment" (CEA), asking industry members if they believe a CEA is necessary before proceeding.
Group
MRO NSRF
WILL SMITH
Yes
The NSRF does not believe the proposed revisions to the SPM addressed the SPIG Recommendations as spelled out in the SPIG Report below: Modify the comment process to: • Have the SDT post draft standard for informal comment period of 30 days, but not be required to respond to comments. • Promote an automated system for managing comments. Ballot process shall: • Provide options for voting "No" with guiding choices for the answer with a comment section on the ballot.
No
The NSRF believes that SPIG Recommendation #4 for "Negative Votes" without comments was not addressed in the revisions to the SPM as stated in the SPIG Report below: Ballot process shall: • Provide options for voting "No" with guiding choices for the answer with a comment section on the ballot. ----- Furthermore, with a dropdown menu in place, Section 4.11 Voting Positions appeals process regarding negative ballots is not needed and should be deleted.
No
The NSRF does not agree that the revisions to the SPM address SPIG Recommendation #4 regarding RSAWs. The SPM revisions fail to address the RSAWs altogether including the when and how RSAWs are developed and their review and approval process. A very good RSAW can only be developed upon full approval from the Commission. The Essential Elements of the Standard should include the relationship of RSAWs to the drafted Standard.
No
SPIG Recommendation #4 regarding the example of eliminating the VSLs did not imply they should be replaced by Sanction Tables. The recommendation was a temporary solution on the redundancies. The VSLs should remain until the Sanctions Tables are vetted properly through the proper channels, with NERC Compliance and Stakeholders. The NSRF supports the ultimate removal of the VRFs and VSLs from all Standards in the future once the proposed Sanction Tables are vetted and approved through all required channels.
Yes
The NSRF agrees with the SPIG recommendation to ensure cost effectiveness of the standards, but notes that the CEAP process should not delay the standards development process.
The NSRF does not agree that Section 16.0, Waiver is needed and should be eliminated. It was not included as one of the SPIG Report recommendations. Clarification is requested as to why the NERC Reliability Standards and Legal staff are reviewing the Request for Interpretation twice in Section 7.0 to determine whether it meets therequirements of as valid interpretation. It is done early in the request (3rd paragraph) and again near the end of Section 7.0 (2nd to last paragraph) of the redline

copy. Section 10.1: Processes for Developing Reliability Standards Responsive to Imminent, Confidential Issues should include "Quality Reviews" as part of the process, while abiding to the strict nature of confidentiality. To coincide with these additions, the associated Process Steps in Figure 3 should be updated to reflect when the Quality Reviews are conducted. In Section 4.3, there is no "legal" representative called out as part of the Standards Drafting Team as recommended by SPIG Work Group. Section 2.2: Reliability Principles are referenced in the SPM as the foundation of Reliability Standards; however, these have not been "formally" defined. It is recommended that this term be added to the NERC Glossary of Terms. Section 13.0: Process for Conducting Periodic Reviews of Reliability Standards The NSRF proposes there be a provision in this periodic review cycle that allows the restart of the five (5) or ten (10) year clock once the Standard has gone through a new version, since it was revised within the basic 5 or 10 year period. This would eliminate extra reviews of the Standard since the Standard was already reviewed as part of a previous Standards Development project. The SPM should include a section that encourages the integration of internal controls process proposed by NERC staff into the standards development process. Explicit direction that deficiencies noted in a process control requirement that are corrected under the required process are not a violation should be included. If the sanctions table is retained in lieu of the VRFs and VSLs it is suggested that an "administrative" or low risk column should be added to the sanctions table to distinguish between direct and indirect electric grid impacts. Organizations need policies, procedures, and evidence to be effective, but the presence or absence of these policies, procedures, and documentation doesn't directly impact the electrons flowing on the electric grid, nor does it mean that entities don't implement preventative actions such as testing relays. Therefore, the NSRF suggests an "administrative" column be added to align with the MRO's Performance and Risk Oversight Subcommittee Phase II efforts on developing internal controls and the classification of risk. Policies, procedures, and documentation play a role in being effective, but when categorizing direct BES risk of instability, uncontrolled separation and cascading, administrative issues (policies, procedures, and documentation) should be assigned to "low risk" and "administrative" category. Within the proposed Operations, Cyber Security and Planning "Sanctions Tables" there appears to be a typo in all of the Performance-based Level 2 violations. Rather than a monetary range of "\$75,000 - \$300,000" it seems like it should instead read as "\$7,500 - \$300,000".

Group

SPP Standards Review Group

Robert Rhodes

Yes

Yes

We don't take issue with the proposal for handling 'no' votes but would like clarification on one specific item. During discussions on 'no' votes in another arena, a question came up regarding whether a comment accompanying a 'no' vote had to be specifically with the ballot or could it be a reference to a comment from some other entity. For example, if XYZ voted no and referred to a comment submitted by SPP for its justification for that vote, would this be considered a valid 'no' vote?

Yes

We like the suggestion for using the SDT to develop RSAWs. However, there is an apparent lack of consistency between the revised SPM and the whitepaper. On page 10, the last sentence in the first paragraph of Section 3.5 indicates that NERC staff will determine whether to use the SDT to assist with the RSAW development. Yet on page 8 of the whitepaper, the last paragraph under Recommendations more strongly suggests that SDTs will be used in the development of RSAWs. We prefer the later. We also suggest that requirements be written with sufficient specificity such that determining compliance would not have to rely heavily on the RSAWs.

Yes

Yes

We are very much in favor of factoring cost consideration into the standard development process. Please refer to our comments that were filed during the CEAP posting and comment period for specific questions, suggestions and comments.

No.
Individual
Laura Lee
Duke Energy
Yes
The change to reply to comments in summary form adequately addresses the SPIG recommendation. Duke Energy does not support the SPIG recommendation to not require responses to the comments submitted in the informal 30 day comment period, as this will make it difficult for entities to determine how or if the Standard Drafting Team used the entity's comments. The response to comments is an important tool for developing industry consensus, and providing that response in summary format should enhance the efficiency of the SDT.
No
This change goes beyond the SPIG proposal to "provide options for voting no with guidance choices for the answer with a comment section on the ballot." Providing comments is undoubtedly important to facilitating the SDT in crafting a standard that advances reliability, and increases the probability that the industry will develop the requisite consensus. For these reasons Duke Energy offers support for NERC's efforts to educate the industry on the importance of providing comments and efforts to facilitate that commenting through voting software changes. An entity's prerogative to have their vote counted, however, should not be dependent on their submittal of what are judged "related" comments.
Yes
Duke Energy supports the ongoing efforts to revise the RSAW content and process, utilizing the expertise of the Standard Drafting Teams and the industry, providing transparency that should result in clearer communication of auditing intent and enhanced consistency.
Yes
The proposal has the potential to increase the efficiency of the Standard Drafting Teams and allow them to focus their time and effort more productively. Care will need to be taken in further development of the so called "Sanction Table" to ensure that the ranges defined are consistent with previously assessed penalties and with the current Base Penalty Amount table. This appears to be an opportunity to more tightly couple the results of compliance assessment with the actual risk to reliability.
Duke Energy also supports the addition of various resources (technical writers, legal and compliance experts) to the Standard Drafting Teams with authority over the technical content remaining with the industry technical experts. Changes to facilitate performance of quality reviews concurrent with the standard development will hopefully result in more well written standards in a more timely manner.
Individual
Scott Miller
MEAG Power
MEAG Power endorses and adopts the votes and comments as provided by AECI.
Individual
Eric Salsbury
Consumers Energy

<p>Consumers Energy disagrees with the indication in the manual that, "The number of votes cast is the sum of affirmative and negative votes with related comments or stated objections, excluding abstentions, non-responses, negative votes without comments, and negative votes with unrelated comments." We believe that negative votes should count regardless of whether comments are submitted or not. This is especially important in light of the fact that currently, there is no allowance for submitting comments directly with the ballot. Without the ability to match comments to ballots, a number of negative ballots could be disregarded when determining whether a project has passed or not. Additionally, we are concerned that even if comments were submitted, they may be disregarded as unrelated. We would question who makes this determination and how industry could be assured that the ballots they cast are properly included.</p>
Individual
Larry Raczkowski
FirstEnergy Corp
Yes
No
<p>1. Although FE agrees that "No votes without comments" do not help the drafting team in the development of the standard and believes all balloters should provide a comment, we do not agree with discounting "No Votes without comments" for ballot approval while counting "No Votes without comments" in calculation of the quorum. Although this meets ANSI, we believe NERC should not adopt this proposal. 2. It may be a slippery slope to allow drafting teams to judge whether or not a comment accompanying a negative vote is relevant. Allowing this provision will only have the potential to create controversy among the industry, the drafting teams, and NERC and will not enhance the process. Although FE believes all votes should be relevant in determining ballot outcomes, at a minimum only "No votes without comments" should be excluded. This removes the subjectivity that is introduced when assessing the relevance of a provided comment. Additionally, the process described will prolong a standard development process which is already scrutinized for its ability to timely produce standards. The changes include an additional 40 days allotted for the SDT to inform NERC staff/Legal of negative votes with unrelated comments (and without comments) and the time afforded the ballotter to adjust their comments. 3. The statements in sec. 4.11 are troublesome and should be revised. In the bullet item for "Negative with related comments" it states that "Comments should include guidance/input to the drafting team that would assist efforts that would make revisions to the Reliability Standard acceptable and enable an affirmative vote in a subsequent ballot." Although we tend to agree with this, it should not be mandated and suggest changing the phrase "comments should include" to "comment are encouraged to include" 4. The voting process adopted by NERC will need to be adequately communicated to industry through education such as webinars so that industry ballot body members are clear on the final rules whatever they may be..</p>
No
<p>1. Section 3.5 indicates NERC Staff will develop the RSAWs with assistance from Drafting Teams "as needed". We are not clear as to when and how these RSAWs are developed. FE believes this activity would be most efficient and effective in parallel with the development of the requirements of the standard. The SDT should always be involved and not "as needed" and the RSAWs should be part of the standard document with a non-binding poll on the RSAWs. We suggest some parameters and discussion be developed in the process as to how RSAWs are developed and if a non-binding poll similar to VRF/VSL will be used. 2. FE would like to point out our support of the information in section 2 that clearly specifies the enforceable elements of a standard that are subject to sanctions. We appreciate this additional clarity.</p>
No
<p>1. FE agrees that VRF and VSL are compliance elements that take many hours of drafting team time and should be removed from the process. However, it is not clear how the standard will make reference to this sanction table and what role the drafting team has in tying the requirements to the sanctions table. Furthermore, the sanctions table has a separate section for Cyber Security requirements and references terms to be used in the next version of the CIP standards. Therefore, timing may be an issue since it is not clear how the implementation of this new process and sanctions table will coordinate with the implementation of CIP V5. 2. The proposal also involves what appears to</p>



be the removal of time horizons from the requirements. Although it was never quite clear how this element was used in compliance violation assessments, we question whether this will be a detriment to the compliance enforcement staff in determining penalties.

No

FE agrees that a formal process for cost effectiveness should be considered during the development of any new and revised Reliability Standards. An adequate level of reliability (benefits) versus the cost of implementing the standard should be used to determine whether a standard will continue through the various standards process development. However, it is unclear if the phrase "this draft document" in this question is referring to the CEAP or the Standard Process Manual, we assume the latter. In section 4.1 it's indicated that a SAR will require "a discussion of the reliability-related benefits and costs of developing the new Reliability Standard". The SPM should be adjusted to footnote the CEAP process for the cost/benefit analysis that must be performed.

FE has the following additional comments: 1. Section 1.4 - FE is curious about the reasons for the new section on Metric Policy? Does this mean there will be duplicate versions for U.S. and Canada/Mexico? 2. Section 3.4 - FE supports the additional authority given to the SC to disband drafting teams for not producing results. This will help give the SC greater ability to facilitate the development of standards. 3. Section 3.7 - FE suggest the revisions consider adding a reference to Mexico. 4. Section 3.8 - In the new sentence "The Standards Committee may request that a NERC technical committee or other group prepare a Technical document to support development of a proposed Reliability Standard." It appears the word "technical" should not be capitalized. 5. Section 3.10 - This section does not seem to address the comment box that appears next to it. There is no text describing the development of the RSAWs in the actual manual text. The section should be re-written to include some of the thoughts from the comment box and better clarify how RSAWs are developed.

Individual

Kirit Shah

Ameren

No

(1) We believe that accelerating the schedule for draft standards review at NERC's end of the process will not help stakeholder to keep up with necessary review and commenting on draft standards. While we applaud the decision to maintain the ANSI accreditation, it can be viewed that it defines a minimal set of requirements. rather than more steps in the process which may be necessary for development of the NERC Standards. Developing a quality standards in many cases just takes time and effort that may not be subject to streamlining. (2) There seems to be a conflict between the revisions in the SPM and the recommendation report from SPIG for the informal 30 day comment period. The SPIG states (Page 14, Proposed Details 2nd Bullet, ii) to post draft standard for informal 30 day comment period but the SDT does not have to respond; however, the SPM states (Page 19 section 4.5: Rationale) that drafting teams are not required to have a 30 day informal comment period. In addition to the one formal comment period, which presumably comes at the end of the standards development process just prior to balloting we request that the SDT have additional informal comment periods earlier in the process as currently is done. (3) We have the following concerns/comments about the proposed "summary" response: a. We currently search SDT responses to comments by individual name and/or company name. If a summary reply is made, how then will we be able to find the responses to our specific comments within the "summary" response? b. What criteria the SDT will use to choose which comments not to respond to? We believe that the criteria for this activity need to be provided upfront. Also, what would happen to the submitted comments which the SDT determines not to respond to? Would those comments be published?

No

(1) We do not agree with the SDT's proposal; the subjectivity in determining whether a set of comments received with a "NO" vote are relevant or not would be problematic. At the very least, a provision is essential for those providing "NO" votes to see how their comments are handled, and for formally addressing any disregarding of such comments on grounds of irrelevance and thereby not counting "NO" vote for consensus. (2) We believe it is reasonable for SDT to expect a reason for voting "NO"; however, as the SPIG has suggested (See Page 14) - the SDT should provide guiding choices to help with the "no" vote. In this respect we suggest the SDT to provide details on this guidance. (3) In instances where, "NO" votes are disregarded for purposes of determining consensus

on a standard, an extreme scenario would be where there is a little industry support for a given standard, yet it becomes an approved standard anyway. (4) We believe that 'No' votes should be considered, even if comments are not included, because everyone will need to live with standards which receive approval. (5) If the SDT recommends to discount "NO" votes for consensus, then we would request the SDT to provide details of the Appeals process.

No

(1) We believe that the SDT to develop the RSAW is a step in the right direction, but we are not sure whether or not the RSAW would subsequently go through industry review and the ballot process. If not, we recommend that everything that is involved with a standard and what is needed to comply with a standard's requirements (that is, Measures) should be encapsulated within the standard document itself. If the RSAWs are developed at the same time as the standards, we recommend keeping the RSAW language in line with the standards requirements and measures, but the measures need to remain within the standards. Any potential for measures to modify standard requirements should be addressed in the standards development process, where there is industry review and the commenting process is in place. (2) Will the entire SDT be involved in the RSAW development or will this be delegated to a sub group?

No

Conceptually the Sanction table can work, but not enough information about process steps are available at this time to make an informed judgment on its development or applicability. Based on what is available now, it seems like there will be too much subjectivity involved. To avoid this subjectivity issue, the SDT would have to develop a recommendation for each requirement in the standard as to which category (Performance, Risk or Capability) should be applicable to it so that SDT's intention is clear to all stakeholders. Our concern is if this is not done by the SDT there will not be uniformity in its application leading to inconsistency in the way auditors and enforcement would apply these Sanction Tables.

No

In principle we agree but clarification on how CEAP process will work is still needed. We had reviewed and provided comments separately on another NERC CEAP proposal. We suggest that the SDT should coordinate with that project.

We believe that in several instances, details are lacking. Of a primary significance, we are not sure which proposed process changes would eliminate items which currently require a Stakeholder approval. We would like to have an opportunity to carefully review and assess all such items prior to signing off on the proposed SPM changes.

Individual

Anthony Jablonski

ReliabilityFirst

Yes

Yes

ReliabilityFirst notes that the revised SPM does not address how negative ballot cast without comments, or with unrelated comments during the recirculation ballot are to be handled. For example, if a Ballot Pool member changes their vote from Affirmative to Negative during a recirculation ballot, are they required to submit comments along with the vote? Since the recirculation ballot is the final ballot, it would seem that comment would not be required (i.e. regardless of the negative comment, the SDT is not allowed to change the standard). The revised SPM is silent on this issue. In today's environment, comments are not even collected during the recirculation ballot. ReliabilityFirst recommends adding additional language to clarify how a negative ballot cast without comments, or with unrelated comments during the recirculation ballot are to be handled.

Yes

No

ReliabilityFirst Corporation ("ReliabilityFirst") appreciates the opportunity to comment on the North American Electric Reliability Corporation ("NERC") Standards Committee Process Subcommittee ("SCPS") Proposal (the "Sanctions Table") related to the elimination of the Violation Risk Factors

("VRFs") and Violation Severity Levels ("VSLs"). ReliabilityFirst appreciates how burdensome, lengthy, and difficult the task of drafting VRFs and VSLs can be for the standard drafting teams ("SDTs"). However, the proposed Sanction Table creates unnecessary challenges to the effective and efficient enforcement of mandatory Reliability Standards. First, the requirement that violations must result in an "Adverse Reliability Impact" in order to receive a "Severe" VSL is misguided. Currently, the severity of the violation is related to those compliance activities which are within the control of the registered entity. A failure to undertake such activities could result in the maximum allowable penalty before that failure results in a system event. Thus, the possibility of a "Severe" VSL serves a role in promoting compliance activities that seek to prevent system events without waiting for a system event. Second, Option 1 of the Project introduces a new, undefined term, "reliability purpose," and Option 2 introduces a new, undefined term, "discernible impact on reliability." Under either option, assigning VSLs appears to require a substantive determination regarding the relative impact of a particular violation. Without further guidance, Regional Entities will struggle to apply these terms, resulting in more ambiguity and less consistency than is presently experienced using the current VSLs. Additionally, these ambiguous and undefined terms may result in protracted negotiations with Registered Entities during the settlement process over VSL designations. The use of such ambiguous, broad and imprecise language in the Sanctions Table will result in uncertainty among Registered Entities and ReliabilityFirst regarding enforcement of the NERC Reliability Standards. ReliabilityFirst also believes that the Project will unintentionally undermine reliability because only those violations resulting in an "Adverse Reliability Impact" would be punished with "Severe" VSLs. Additionally, the proposed Pro Forma VSLs introduce new terms that will prove difficult to apply. As an alternative, the ESMWG proposes less drastic revisions to the existing VSLs that would result in more accurate depictions of the severity of a violation. Each possible violation of the Reliability Standards presents unique facts and circumstances which require careful analysis and deliberation. The Sanctions Table, however, is presented as a one-size-fits-all solution to VRFs and VSLs. Such an approach would constitute a significant change in the enforcement of the Reliability Standards and requires very careful examination. ReliabilityFirst does not believe the VRF and VSL matrices are ineffective or broken. Rather, ReliabilityFirst believes the VRF and VSL matrices can and should be improved. There are certain VSLs that can be improved upon which could reduce confusion among Registered Entities and Regional Entities and increase consistency across all the regions. ReliabilityFirst enforcement personnel are willing to assist the SDTs in identifying and improving existing VSLs with identified problems. ReliabilityFirst appreciates the burden and difficulty the SDTs face while drafting VRFs and VSLs as part of Reliability Standards. Therefore, ReliabilityFirst recommends that enforcement staffs from the Regional Entities, particularly the Enforcement Sanction and Mitigation Working Group ("ESMWG"), provide recommendations to the SDTs to improve VRFs and VSLs. Further, the ESMWG could review proposed VRFs and VSLs, thereby streamlining the creation of new VRFs and VSLs while also lessening the VRF and VSL related workload of the SDTs. The Federal Energy Regulatory Commission directed NERC to develop VSLs "either through the Reliability Standards development process or through another expedited process" (emphasis added). The ESMWG in particular could provide this other "expedited process." The ESMWG is positioned to take on this role as its representative implement, enforce, and defend VRFs and VSLs in all enforcement actions. ReliabilityFirst also suggests continuing to explore ways to streamline VRF and VSL drafting to maximize clarity to both Registered Entities and Regional Entities and reduce the burden on the SDTs. ReliabilityFirst supports lessening the burden of drafting VRFs and VSLs during the Reliability Standards development process. However, ReliabilityFirst believes the proposed Sanctions Table is an unnecessary change.

Yes

ReliabilityFirst questions the removal of Time Horizons from section 2.5 of the Standards Processes Manual (SPM). ReliabilityFirst requests the justification of the removal of Time Horizons. RFC notes that Time Horizons are still referenced in the Standard Processes Manual Revisions: SCPS White Papers for Background Information. Page 14 explicitly states: "... the SDT would write the requirement and then would simply identify the appropriate Time Horizon and the requirement type and category..."

Individual

Scott Berry

Indiana Municipal Power Agency

No
Indiana Municipal Power Agency supports the comments submitted by Florida Municipal Power Agency.
No
<p>IMPA believes that all votes should be considered when developing industry consensus on a NERC standard. If an individual from an entity takes the time to cast a vote it should be counted, regardless if it has comments or comments that are deemed not related to the proposal under consideration. An individual may not comment for a number of reasons such as a lack of time at that particular instance or they may be voting against a standard for a reason they wish not to disclose or be made public. IMPA views not counting negative votes with comments that are unrelated to the standard or interpretation as problematic. An entity may submit a comment that in their view pertains to the standard under consideration and yet NERC may consider it not related. IMPA understands there is an appeal process of the decision not to count a "no" vote with comments, but for something as fundamental as a right to cast a vote in one entity's own opinion, then having to justify it against a potentially subjective determination is not an improvement of the process. Another point that weighs in our comment is the extra time that it would entail to appeal a rejection of a "no" vote comment on both the entity's and NERC's side. An entity may not choose that route due to time constraints already encountered due to the large volume of reliability standard work on everyone's plate. Therefore, IMPA supports counting all votes casted on a proposal under consideration and believes this to be the best solution for the timely development of standards. By not counting "no" votes with unrelated comments, an appeal process is added and could potentially hold up the standard process, especially if there is a relative high number of them.</p>
No
Indiana Municipal Power Agency supports the comments submitted by Florida Municipal Power Agency.
no comment
No
Indiana Municipal Power Agency supports the comments submitted by Florida Municipal Power Agency.
Indiana Municipal Power Agency supports the comments submitted by Florida Municipal Power Agency.
Individual
Andrew Z. Pusztai
American Transmission Company
No
<p>The SPM, as proposed, does not address all the SPIG Recommendation #5 items: Ballot process shall:</p> <ul style="list-style-type: none"> <li>• Provide options for voting "No" with guiding choices for the answer with a comment section on the ballot This item was a major discussion point for SPIG and it is not addressed in the proposed SPM. We remind the group modifying the SPM, that the reason for the recommendation is to insure that every "no" vote would have a comment, which eliminates the need for determine if vote should be counted. Because the modification did not incorporate this recommendation completely the team has both rehashed the discussion that took place under SPIG and had to include unnecessary language about appealing "no" votes with comments. The SPIG solution must be incorporated into the SPM</li> </ul> <p>SPIG Recommendations modify the comment process as follows:</p> <ul style="list-style-type: none"> <li>• The SDT will post draft standard for informal comment period of 30 days, but not be required to respond to comments.</li> <li>o The SPIG did not recommend removal of the 30-Day comment period for informal comments, only that the SDT would not be required to respond to those comments.</li> <li>• Promote an automated system for managing comments. Although this modification does not belong specifically in the SPM, ATC believes that the response to this item needs to be addressed in the modifications. In addition to the above items there are a number of Recommendation 5 items that are not being addressed. The team needs to address these items in some manner as an indication that they are not being ignored.</li> <li>• Rigorous Project Management</li> <li>• SDT Model</li> </ul>
No
ATC's comments are a repeat of its comments from question 1. Ballot process shall: • Provide options for voting "No" with guiding choices for the answer with a comment section on the ballot This item

was a major discussion point for SPIG and it is not addressed in the proposed SPM. We remind the group modifying the SPM, that the reason for the recommendation is to insure that every "no" vote would have a comment, which eliminates the need for determine if votes should be counted. Because the modification did not incorporate this recommendation completely the team has both rehashed the discussion that took place under SPIG and had to include unnecessary language about appealing "no" votes with comments. The SPIG solution must be incorporated into the SPM In addition to the above comment, we have concerns with the way the team interpreted this clear recommendation. The proposed language fails to give clear guidance as to how "no" votes will be rejected and does not meet the intent of the NERC Board's approval of the SPIG report.

No

ATC does not agree that the revisions to the SPM address SPIG Recommendation #4 regarding RSAWs. The SPM revisions fail to address the RSAWs altogether including the when and how RSAWs are developed and their review and approval process. Furthermore, the Essential Elements of the Standard should include the relationship of RSAWs to the drafted Standard.

No

ATC does not agree with the sanctions table. Recommendation #4 states that redundancies such as VSL should be considered for elimination. The SPIG did not recommend that VSLs must be replaced with the Sanction table. We are concerned that this sanction table/concept tool has not been properly vetted through compliance personnel. In addition, we would like to see a broader discussion of all the different options to address VSL prior to incorporating any specific solution into the SPM. The VSLs should remain until the Sanctions Tables are vetted properly through the proper channels, with NERC Compliance and Stakeholders.

Yes

ATC agrees with the SPIG recommendation to ensure cost effectiveness of the standards, but notes that the CEAP process should not delay the standards development process. ATC is not clear as to how the CEAP will be incorporated so that the development process is not delayed.

A. ATC does not agree that Section 16.0, Waiver is needed and should be eliminated. It was not included as one of the SPIG Report recommendations. B. ATC is seeking clarification why the NERC Reliability Standards and Legal staff are reviewing the Request for Interpretation twice in Section 7.0 to determine whether it meets the requirements of as valid interpretation. It is done early in the request (3rd para.) and again near the end of Section 7.0 (2nd to last para.) of the redline copy. Please clarify. Also in Section 7.0, the redline eliminated all reference to "Quality Reviews" of Interpretation Requests including the footnote. ATC believes this must be included just as when drafting new or revised Standards. C. Section 10 Processes for Developing a Reliability Standard to a Confidential Issue (or Responsive to Non-Imminent Confidential Issue – Section 10.8) should both include "Quality Reviews" as part of the process, while abiding to the strict nature of confidentiality. D. General Comment: The SPM had several flowcharts, etc. that do not have labeling or reference to Figure numbers. ATC recommends that the SDT review the flowcharts, etc. to make sure they are labeled properly. E. Section 13.0 Process for Conducting Periodic Reviews of Reliability Standards. ATC proposes there be a provision in this periodic review cycle that allows NERC to restart the five (5) or ten (10) year clock once the Standard has gone through a new version, since it was revised within the basic 5 or 10 year period. This would eliminate extra reviews of the Standard since the Standard was already reviewed as part of a previous Standards Development project. F. Possible clarification needed: In Section 4.3, there is no "legal" representative called out as part of the Standards Drafting Team as recommended by SPIG Work Group. (Is this considered Regulatory?) G. Section 2.2 Reliability Principles are referenced in the SPM as the foundation of Reliability Standards; however, these have not been "formally" defined. ATC recommends that the SDT consider adding this term to the NERC Glossary of Terms.

Group

Bonneville Power Administration

Denise Koehn

Yes

BPA supports one formal comment period, BPA sees significant value in the drafting team responding individually rather than in summary form, understanding that like comments or similar comments can be grouped together. BPA believes that these changes need to be clearly communicated to the industry.

Yes
Yes
BPA is in support of the drafting team assisting with the creation of the RSAW to further clarify the intent of the standard throughout the industry's implementation and compliance monitoring.
Yes
BPA is in agreement and support of continued analysis on the Essential Elements of the Standards template and is encouraged with this proposal.
Yes
BPA appreciates the Standards Committee's work on this. BPA recognizes that this project will be a continuous improvement process.
BPA has conducted a thorough review of all documents, during the review we have captured several questions and have made note of potential un-intended omissions or typos. Please review the following questions, comments or concerns. Regarding page 18 section 4.1, 2nd paragraph of the redlined Standards Process Manual: BPA believes the word "and" needs to be inserted between NERC Reliability Standard and Standards Committee. Regarding page 19, third bullet of the redlined Standards Process Manual: BPA was under the impression that the industry could appeal if the SAR was rejected. Where is the appeals process addressed? BPA appreciates the change made in section 4.9 of the redlined Standards Process Manual allowing the ballot to remain open until the next business day if the original closing date falls on a Saturday, Sunday or federal holiday. Regarding section 4.10 of the redlined version of the Standards Process Manual: BPA seeks clarification as to why abstain votes are no longer considered as part of the quorum. If they are not counted, what is the purpose of an abstain vote? Regarding Section 4.12 p. 28 of the redlined version of the Standards Process Manual: BPA seeks clarification regarding only responding to comments prior to the final ballot. BPA believes it would be more productive to be responding earlier in the process. Regarding Section 7.0, page 37 of the redlined version of the Standards Process Manual: BPA seeks clarification on whether or not an Interpretation can be provided for BOT approved standards that are not yet FERC approved. The section indicates that a request can be made for any standard that has been adopted by the NERC Board of Trustee's. The example given only references the current effective version and a version with a future effective date. Regarding page 39 of the relined version of the Standards Process Manual: The second to the last paragraph appears to be out of order and should be moved to be the second sentence of the next paragraph. Suggesting "If approved by its ballot pool, the Interpretation shall be forwarded to the NERC Board of Trustee's for adoption. The NERC Reliability Standards and Legal staffs shall review the final Interpretation to determine whether it has met the requirements for valid interpretation. Based on this review, the NERC standards and legal staffs shall make a recommendation to the NERC Board of Trustee's regarding adoption." Is the intent to have legal review prior to it being approved by the ballot pool or after? P. 41 of the relined version of the Standards Process Manual: Conduct quality review/collect informal feedback – these steps do not appear to be referenced in the narrative section. BPA is in support of the standards being reviewed every 10 years. Regarding page 69, Section 16 "Waiver" of the relined version of the Standards Process Manual: BPA has concerns about Section 16, BPA understands the need to have the flexibility of a waiver. BPA is concerned that the waiver does not have a sunset period. BPA believes the waiver process should be used on an interim basis as temporary solution, and that NERC should start the NERC Standards Development process in parallel. BPA strongly believes that industry involvement creates the most efficient, effective and reliable standard. Regarding 'Cyber Security' Sanctions Table in the White Paper: The performance based level two appears to have a typo. BPA believes this should be 7500 to 300000 ... not 75000 to 300000.
Group
National Grid and Niagara Mohawk (A National Grid Company)
Michael Jones
No
National Grid supports the goal of SPIG recommendation 5 to revise the standard development process to improve timely stakeholder consensus. However, the steps taken to streamline the average duration of the standard development process must be balanced with the need to allow adequate time and opportunity for stakeholder review and input. National Grid agrees that requiring

only one formal comment period is an adequate way to gain process efficiency; however, this reduction in formal comment periods should be balanced with a requirement for at least one method for informal stakeholder feedback prior to the formal comment period. Because informal feedback is optional in the current draft SPM, the proposed revisions to Sections 4.5 and 4.7 permit a standard to be developed with only one formal comment period and no other opportunity for the industry to provide feedback and guidance. National Grid is concerned that this process may inadvertently result in more process delays. With the possibility of only one chance to submit feedback, the formal comments will might be overloaded and burdensome to process with information that could have been gathered informally and the need for more successive ballots may result in order to address issues raised in formal comments. National Grid understands that informal feedback is encouraged, but without a requirement, the need and pressure for faster and faster processing of standard development could easily result in a trend of abandonment of informal feedback with the result of a unintended longer process on the back end of a project. Making informal feedback a required step will guard against possibly unnecessary delay while achieving process efficiency in conjunction with the elimination of the second formal comment period. In place of the eliminated additional formal comment period, the drafting team should be required, not encouraged, to use at least one of the methods for informal stakeholder feedback that is set forth in Section 4.5. By retaining the flexibility to use a variety of informal feedback methods, and by retaining the flexibility for the drafting team to set the deadline for informal comment periods (i.e. not requiring 30 days for informal feedback), sufficient time-savings can be achieved in the overall process, but the industry will be guaranteed at least two opportunities to weigh in. This is the most effective and fair way to meet SPIG recommendation 5. Accordingly, National Grid recommends the following edit to the first sentence of proposed draft of Section 4.5 (changes appear in italicized text): Prior to the formal comment period, drafting teams must use at least one of the following methods to collect informal stakeholder feedback on preliminary drafts of its documents: • Informal comment period(s) of duration at the discretion of the drafting team • Webinar(s) • Industry meeting(s) • Workshop(s) • Other mechanism(s) that solicit informal industry feedback in an open and transparent way. [The remainder of the draft text of Section 4.5 could remain as drafted]. With regard to permitting responses to formal comments in summary form, National Grid supports this change as a reasonable method to achieve process efficiency because the language of the draft Section 4.13 makes clear that “the drafting team must respond in writing to every stakeholder comment” and “all comments and objections must be responded to by the drafting team.” As long as this language remains, National Grid supports responses in summary form. National Grid notes that drafting teams should strive to ensure that summary responses clearly correspond to comments to which they respond.

Yes

Yes

Because measures are not an enforceable aspect of the standard, National Grid supports their removal from the standard. Additionally, National Grid views RSAWs as an effective tool for maintaining auditable compliance and for facilitating the audit process. It makes sense for the RSAWs to be developed in conjunction with the standard to ensure that RSAWs truly track the actual requirements of a standard without adding to or changing them. National Grid cautions against attempting to include examples, factors, specific suggestions for meeting compliance etc. in RSAWs because these types of elements can trend toward changing the actual requirements of a standard or suggesting to auditors a more limited scope of enforcement than the language of a standard permits. The lessons learned in attempting to develop VSLs should inform the RSAW drafting process – i.e. it is impossible to preemptively determine all possible methods of compliance, and attempting to develop examples or factors that are not expressly set forth in the actual requirements can lead to overly restrictive enforcement practices during and audit. The requirements of a standard should be clear enough to permit for compliance, even if the requirements allow for multiple methods to achieve compliance. The RSAWs should simply track and reflect the actual requirements of a standard , and drafting the RSAW in conjunction with the standard should better ensure this outcome. National Grid agrees that RSAWs should not be submitted to FERC for approval along with the standard.

Yes

National Grid supports the elimination of VSLs in favor of a table in the format of the proposed Results-Based Sanction Table; however, National Grid opposes some of the language proposed in the “Level” descriptions of the table. National Grid recommends the following changes to the table: 1) The

name of the table should be changed to "Results-Based Sanction Table Guideline" and each section of the table should include the word "guideline" i.e. "Operations Sanction Table Guideline"; "Cyber Security Sanctions Table Guideline" ; "Planning Sanctions Table Guideline". This change would ensure that those using the table understand that the sanctions presented are not mandatory, fixed penalty amounts, but are a guideline or starting point for a baseline penalty. This aligns with the existing NERC Sanctions "Guideline". National Grid assumes that this table will eventually be incorporated into the Rules of Procedure as part of the NERC Sanctions Guideline, but if the table will be used as a guidance document prior to that time, then the name of the table should be changed to ensure the table is correctly applied correctly. 2) The 'Cyber Security' Sanctions Table should remove references to Low, Medium, and High Impact BES Cyber Systems from the "Level" descriptions. These references will perpetuate one of the major existing problems with the VSL table – i.e. the overstatement of severity of minor violations resulting in higher-than-necessary baseline penalties. By matching the Levels to Low, Medium, or High Impact Elements, any violation of the standard associated with a certain facility, even a mere documentation error, will fall into the Level assigned to that asset. For example, a documentation error that causes little to no risk to the BES that is related to a requirement applicable only to High Impact BES Cyber Systems will fall into Level 3 with a high penalty range. In the current draft of CIP Version 5, most of the requirements are applicable only to Medium and High Impact systems; thus, nearly all violations will fall into Level 2 or Level 3 on the proposed table regardless of actual risk. This is not commensurate with the purported purpose of the table as a substitute for VSLs. The remaining language in the table, without the references to affect on Low, Medium, and High Cyber Systems, is sufficient to allow the Regional Entity to assess the impact of a violation of a CIP standard on the BES. The references should be removed. 3) "Other" should be removed from the 'Cyber Security' Sanctions Table in the Performance-based category. The term is too broad. If there are performance-based type requirements other than "acts to protect cyber assets" then they should be spelled out. 4) In the 'Planning' Sanctions Table, the Level 3 and Level 4 language should be modified. Violations of planning requirements occur when an entity fails entirely to have a required plan or fails to have a sufficient plan (one having all required elements). The language should be modified to be more clear so that the focus is on whether the plan is sufficient according to the terms of the standard. As drafted, the language could be read to mean that a plan with all required elements that for some reason does not achieve desired results could be penalized. The following language is recommended: Level 3 – a violation results in a plan that is insufficient pursuant to the requirements of the standard and the plan's insufficiency could contribute to an adverse affect on the BES' ability to respond to contingencies. Level 4 – a violation results in a plan is insufficient pursuant to the requirements of the standard and the plan's insufficiency could directly cause an adverse affect on the BES' ability to respond to contingencies. In addition to the above modifications to the table, National Grid recommends that a transition team be put into place in order to review existing standards for designation and categorization of the existing requirements in accordance with the new table. This will shorten the transition period between use of the VSLs for existing requirements to enabling use of the new table. If the team identifies requirements that do not fit into a category, the team can recommend those requirements for future modification. National Grid realizes that a transition team of this sort requires resources and will need to be prioritized appropriately in light of other ongoing standards development projects. However, continuing to use the VSLs for existing standards until the standards happen to be due for amendment will unnecessarily drag out the transition period where both VSLs and the new Results-Based Table will be used. Considering the problems with applying the VSLs that have been identified, National Grid suggests it would be wise to devote some resources to shortening this transition period as much as possible.

National Grid's understanding is that the CEAP document that was proposed is not intended for inclusion in the SMP and is not part of the currently proposed SPM revision, therefore is outside the scope of comments related to the SPM at this time.

1) Standards Drafting Team Composition: National Grid supports the changes to Section 3.6 with regard to composition of drafting teams. However, National Grid believes that the standards drafting teams need better leadership in order to operate effectively, especially if quality review will be an ongoing process. National Grid recommends that this section be further revised to designate a project manager for each Standards Drafting Team with a defined role to: 1) ensure project deliverables and deadlines are met; 2) be responsible for oversight of the quality review process; 3) ensure the work of the team remains within the scope of the SAR. National Grid is not suggesting that a new position be created, but that a better-defined project manager function could be incorporated into either the



role of the team chairperson or the team's NERC facilitator. With the addition of more non-technical experts to drafting teams, the project manager role might be better served by a non-technical member of the team. 2) Section 16 Waiver Provision: National Grid generally supports the concept of a waiver provision with appropriate controls/qualifications to ensure the provision is not abused. National Grid is concerned that the proposed Waiver provision, as drafted, is slightly too broad. The provision should require a clear demonstration of why the SPM process is inadequate in the circumstances where a waiver is permitted. National Grid suggests the following edits to the first two bullet points following "limited to the following circumstances":

- Where the standards team demonstrates that the SPM process will not allow the team to meet regulatory deadlines set by FERC;
- Where the standards team demonstrates that the SPM process will not allow the team to meet deadlines imposed by the NERC Board of Trustees; or. . .

Individual

Kathleen Goodman

ISO New England Inc.

No

While we agree improvements can be made to the commenting process, some safeguards are needed. For informal commenting periods, the drafting team should be obliged to post a summary of the comments received and the changes made based on the posting. For formal commenting, drafting teams need to provide a response to each unique comment during a formal comment period. Comments received during the formal commenting period need to be posted. It's not clear why this language was stricken.

No

We have strong concerns with discounting negative votes without comments or the rejection of ballots for unrelated comments. Ultimately an individual has the right to say a standard is not needed and that no amount of tweaking will make it acceptable. The voting section is very confusing regarding abstentions and how these are accounted for in either the quorum or approval calculations. The confusion would be minimized if the current process was not changed. There was intermingling of "calendar days" and "business days" in this section. We believe the ballot body should get 10 business days to vote.

Yes

No

We agree there is much wasted effort with regard to VRFs and VSLs. But it appears the proposal is to take one confusing process and replace it with another confusing process that has less industry input. It could be made much simpler if the current VRFs were replaced with the "Results Based Categories" and if the VSLs used the pro forma approach developed jointly by the SC and CCC.

No

We agree that the CEAP as proposed is a good start. Since the changes to the SPM were to support the SPIG recommendations. The "steering group" and the concept of cost effectiveness need to be brought into Section 4 (Process for Developing, Modifying or Retiring a Reliability Standard"). The underlying precept of the SPIG is that we need to move away from a volumetric approach to standards, to a focused development of standards that add value and provide an ALR. As part of the SAR process, there needs to be a triage that clearly addresses what's missing in ALR, and how the standard will provide it. The process of opening a solicitation every year seeking ideas for new Standards Development proposals should be stopped. The industry is overwhelmed with standards actions. If the issue is important enough to be a standard, a SAR should be submitted.

Interpretations We have concerns with section 7.0. The section states an RFI should be rejected if (1) an issue can be addressed by an active standards development activity; (2) RFI request clarity on any items other than a Requirement; and (3) an RFI has already been addressed in the "record." First, the BOT has clarified that a valid RFI need not be limited to the Requirements in a Standard and that a RFI can take into account other parts of the Standard as well as materials that were developed in support of a Standard (i.e. whitepaper, technical guidelines, Q&A, etc.). Second, waiting for a standards development activity to create the requested Interpretation may not be an option, many projects take a year or more and then have to be filed and acted upon by appropriate governmental authorities. In the meantime, lack of a RFI may result in inappropriate enforcement action due to EAs

determining their own Interpretation. Finally, it appears that the (2) and (3) completely contradict one another. Compliance Waivers There remains language allowing for “waivers” of enforceable requirements for field trial purposes. Since the enforceable requirements are essentially backed by law, perhaps NERC should request a policy statement from the applicable governmental authorities that the authorities recognize NERC-approved waivers. Withdrawals Section 4.18 proposes to give the SC additional authority to “withdraw” Standards, Interpretations, and Definitions for “good cause” once the Standards, Interpretations, or Definitions has already been approved by industry and the BOT. We have concerns with the lack of definition on what constitutes “good cause” and the underlying need that drove this change. This is problematic, given that as a minimum, both the Industry and the Board have previously approved the action. If this section is retained, there needs to be some due process around the withdrawal of an industry and Board approved action. As a minimum, there should be advance notice and opportunity for comment, with the results of the comments provided to the BOT. Interpretations We suggest the new paragraph in the Interpretation Section (7.0) be removed as staff makes recommendations for any standards action and this need not be in the SPM: “The NERC Reliability Standards and Legal staffs shall review the final Interpretation to determine whether it has met the requirements for a valid Interpretation. Based on this review, the NERC Reliability Standards and Legal staffs shall make a recommendation to the NERC Board of Trustees regarding adoption.” There needs to be some transparency with regard to rejected interpretation requests. There should be a public posting of rejected requests and the reasons for the rejection. We disagree with the need for interpretation drafting teams to automatically create SARs if they believe there is a reliability gap or if the drafting team says an interpretation can’t be crafted. The industry should be asked if they agree with the drafting team’s decision before any further effort is expended. Variances The section on “variances” implies that a variance is needed for “a conflict with an approved tariff”; it is our understanding that where there is a conflict with existing tariffs or market rules, the tariffs take precedence. Waived Actions Section 16 will as a minimum, lead to a perception of abuse of the process. There needs to be transparency of each waived action. This would include public notice and an ongoing record of waived provisions. This will assist NERC and the industry in identifying underlying drivers that are causing delays and provide a safeguard to potential challenges on the legality of the standards.

Group

Florida Municipal Power Agency

Frank Gaffney

No

The reason we checked the “no” box is that FMPA believes that some level of response to comments before ballots in addition to the Final Ballot is necessary to meet the SPIG Recommendation 5 “to improve timely, stakeholder consensus” and believes the SPM ought to require the SDTs to develop summary responses to comments, bundling comments of a similar nature, for ballots prior to the Final Ballot. By not responding in summary form to bundled comments, FMPA believes that the number of ballots (which is a driver to delays in the current process) will not be reduced because entities will be left to guess at how their concerns were addressed (or not addressed) from previously submitted comments; which will likely result in negative voting. FMPA believes that the SDT ought to be required to develop summary responses to bundles of the most important comments (e.g., something less than every comment, but, comments determined to be more important in some way, such as volume of similar comments received) received in ballots other than the final ballot (Section 4.13 might be a good place for this). In addition, through deletion of a large portion of section 4.9, publicly posting of comments received from stakeholders seems to have been eliminated. FMPA believes publicly posting these comments received important to achieving timely consensus and suggests adding words to that effect in Sections 4.7 and 4.9

No

FMPA supports the concept of only counting “no” votes with related comments; however, FMPA checked the “no” box because we are concerned for how the Final Ballot will be conducted. The wording of Section 4.15 and Section 4.13 seems to conflict with the ability to comment with a “no” vote on the final ballot, especially in the case where an entity changes from a “yes” vote to a “no” vote, how will they be allowed to submit a related comment since Section 4.13 states that there will be no formal comment period with the Final Ballot? Typo, this issue was identified in SPIG Recommendation 5, not 4.

No
FMPA supports the approach in concept; however, we checked the "No" box because we are concerned with the change of authority concerning who has final say on "Measures". With the new approach, portions of the RSAW will essentially replace the need for Measures in the standard. Currently, the SDT and industry have final say on the Measures. With this approach, Compliance Staff will essentially have final say on the Measures. FMPA understands that certain portions of the RSAW need to remain under the authority of Compliance Staff; however, FMPA believes that the portion of the RSAW that essentially replaces Measures ought to be under the authority of industry through the SDT and balloting. FMPA is also concerned about transition. RSAWs take time to develop; how will the transition from the way we do it now to this new method occur?
Yes
Sanctions Table: FMPA supports the table, supports the distinction between performance, risk and capability based requirements, and generally supports the 4 levels/columns identified. FMPA's concern springs from the use of the word "could" in the Levels. FMPA understand that some subjectivity is necessary in determining the Levels, but, the word "could" is too "soft" of a word that leaves too much subjectivity in the process. FMPA recommends the use of "expected" as used in the Level 1 description of the Operations Sanction Table, e.g., Level 2 in the Operations Sanction Table would be re-worded to say: "a violation under reasonably assumed conditions would be expected to directly and adversely impact ...". Also, a more minor comment on the Planning Sanctions Tables, the word "contingencies" should be qualified with "applicable contingencies" FMPA is concerned about transition. How will existing standards be transitioned to this new method? Will we be living in two worlds in the mean-time?
No
The CEAP was not really a Cost "Effective" Analysis Proposal, but really a Cost Analysis Proposal without sufficient consideration of "Effective"ness. While a good start, the CEAP ought to be revised to include effectiveness of investment at accomplishing reliability goals.
Section 1.3, the redline of the second sentence seems to try to parallel Section 215 language. If that is the intent, then "reliability planning" ought to be deleted. Under Section 2.15, on the sentence that has NERC management presenting the standard to the Board, should that include a statement about presenting dissenting opinions to the Board? Is Section 4.17 accurately stated in consideration of Rule 321 of the ROP? Section 4.19, second paragraph is missing one reference to Variances. Section 7.0 disallows an interpretation on other enforceable portions of a standard, e.g., the effective date, Glossary of Term definitions (e.g., if a Term in the Glossary is ambiguous). This is inappropriate. Interpretation requests should be allowed for any enforceable portion of a standard.
Group
SERC Planning Standards Subcommittee
Charles W. Long
Yes
However, the process should ensure that the last comment period before balloting will be a formal comment period, with individual written responses to each comment submitted.
No
We disagree with the process changes that exclude "no" votes for whatever reason. We believe the existing commenting and balloting process is efficient at developing consensus.
No
While RSAWs developed in parallel is a good idea, measures should remain with the standard. Since there is a potential for the measures to modify requirements, they should remain subject to industry approval.
Yes
We agree that there should be a cost effectiveness process included in the standards development process. However, comments on the proposed CEAP are being collected in a separate posting.
The comments expressed herein represent a consensus of the views of the above-named members of the SERC EC Planning Standards Subcommittee only and should not be construed as the position of SERC Reliability Corporation, its board, or its officers.

Group
Edison Electric Institute
David Dworzak
No
<p>The handling of 'no' votes is a matter that has attracted significant attention. SPIG recommended that the ballot process should use all votes to establish quorum, and provide options for 'no' votes, including changes to the balloting and commenting process that would help useful comments. For example, many comments will briefly state a broad negative comment without showing the specific language of concern, or offering a constructive alternative that the commenter could support. The proposed process change is to disallow simple 'no' votes without comments for purposes of determining final ballot counts. It appears that the logic that moves from the SPIG recommendations to the process proposal to disallow simple 'no' votes is based on the premise that ANSI requirements do not require consideration of 'no' votes without comments and since NERC seeks only to maintain minimum ANSI requirements, this process element is unnecessary. EEI cannot support the proposal. We understand that SPIG seeks to move the process in the direction of having the balloting and commenting process to provide as much substantive feedback as possible. Irrelevant comments or negative votes unaccompanied by comments do not offer helpful feedback, however, it should be a relatively simple matter to address such comments very quickly. EEI recommends that appropriate software changes be designed and implemented as soon as possible that will help gather more focused comments. A simple 'no' vote should be allowed to count both for determining quorum and final ballot count. Finally, somehow we need to find a way to work around the apparent timing issues for making necessary software changes. This should not be a binding constraint on making these important process changes.</p>
No
<p>EEI understands that the proposal framed in the NERC process subcommittee 'white paper' and the proposed draft process manual to be that VRFs and VSLs would no longer be defined as 'essential elements' of a standard, and would no longer be attached to projects with non-binding polls, thus relieving drafting teams of a certain task. In addition, a 'sanctions table' has been proposed as a replacement for the existing base sanctions table contained in the Compliance Monitoring and Enforcement Program (CMEP) manual. SPIG recommended the 'elimination of redundancies such as VSLs.' On the surface, the draft proposed process changes would seem to agree with the underlying process efficiency objective. However, the proposal is confusing for several reasons. First, the white paper simply does not state that VSLs and VRFs will no longer be developed, only suggesting that they will not be developed as part of a drafting team project scope. We may misunderstand the discussion paper, however, we see no alternative process proposal for the development of VSLs and VRFs, and it is important to have a clearer understanding of where and how these variables will be defined. Second, SPIG did not recommend the development of a sanctions table. While we understand that there have been informal discussions on developing such a table, the addition of this material to the SPIG project does not fit with our sense of 'eliminating redundancies.' In addition, the white paper seems to conflate the VSL/VRF process issue with the development of the sanctions table. Certainly, SPIG did not recommend the development of a sanctions table. Third, stakeholders have not actively participated in the setting of enforcement policies and practices, having developed an understanding that NERC did not want to cultivate a perception that stakeholders had an undue influence over such practices. CMEP and the sanctions guidelines were developed with very little stakeholder involvement. VRFs, VSLs, the sanctions guidelines, and their application by NERC and the regions is not well understood. Also, we understand that some standards drafting teams have become very apprehensive about compliance and enforcement matters, becoming worried over how various language might be interpreted by compliance and enforcement. If now there is interest in having a more comprehensive discussion on the overall structure of compliance and enforcement as set forth in CMEP, including various enforcement strategic policies and practices, EEI welcomes that discussion. The nature of enforcement as a tool for properly aligning reliability risks with performance, and creating a structure of strong incentives for avoiding poor performance via enforcement, is a long overdue discussion. Alternatively, if the current proposed approach continues to be included in the SPIG implementation 'package,' EEI notes that the proposed sanctions table contains several ambiguous characterizations</p>

such as 'could adversely impact reliability,' which invites potential endless debate if and when such a table were ever to be implemented. Similarly, in the cybersecurity section of the table, the term 'other' is undefined and potentially unbounded. Instead of much needed efficiency and cost savings in compliance and enforcement, implementation of this terminology invites the opposite, that is, endless arguments over whether a particular violation or set of violations "could" have imposed systemic reliability risk. At the very least, the sanctions table needs much further analysis and refinement and should therefore be removed from consideration in the SPIG-related matters. Also, the process for developing VRFs and VSLs needs to be described since it is unclear whether or how these will continue to be developed. In addition, proposed Section 3.9 of the process manual is unnecessary since the role of the Compliance and Certification Committee (CCC) is already defined elsewhere the Rules of Procedure and its own committee charter. The CCC charter also appears to be broadly defined to enable the committee to comment on the enforceability of proposed standards. Committee charters should be complete and self-contained, and not scattered throughout the NERC library of governance and process documents.

No

EEl submitted the following comments on the cost effectiveness analysis proposal on July 16: EEl appreciates that practical discussions have begun for beginning to more explicitly consider the costs of potential new requirements or modifications to existing requirements in mandatory standards. This is a welcome change. Any management decision needs to have a clear sense of the goal being addressed by a specific initiative, options for addressing the matter, the costs of the various options, and the measures of success. The specificity of the information needed for decisionmaking will vary depending on the questions under consideration. Initial impressions of the proposal for considering costs and cost effectiveness: To the maximum extent practicable, the general framework for considering potential costs of a new or modified standard should be designed to include both a) general characterizations of investments, and operation and maintenance expenses that would be required, and b) general characterizations of the reliability goals, risks, and contingencies that would be addressed. This could be included in what we understand as the 'phase one' part of the process described to date. EEl also envisions that discussion of these issues should include the newly formed Reliability Issues Steering Group (RISC), as well as standing technical committees that would have an already assembled group of technical expertise that could be tapped for advice and counsel. RISC would also have a natural interest in its normal course of considering reliability issues and risks from a high-level strategic perspective. RISC should be prepared to offer its views on potential standards development projects, including potential costs and benefits. In addition, and in order to begin relevant discussions as early as possible, EEl envisions that FERC staff should be invited to these discussions in order to begin developing shared understandings of both the reliability objectives, and potential costs. As a general matter, we have long believed that proactively engaging the regulatory entities sooner and not later is an important element for shaping successful outcomes. EEl envisions that a SAR will include a description of the kinds of fixed investments, operations and maintenance expenses, or administrative expenses that might be needed to cover any new or modified requirements. The SAR should also include a description of the incremental reliability benefit, including the reliability risk or problem being addressed. It would be the responsibility of the SAR sponsor to make state these general descriptions. As a general matter, we envision that this would be possible with no more than 500 words, that is, not a detailed cost estimate or surgically precise specification. SAR content should also describe performance outcomes that would be expected as a result of compliance, including characterizations of performance that would be viewed as violations. Upon approval of the project and development of more detailed language for the standard, the balloting and commenting phase could seek some refinement of the characterizations of costs and benefits. While the process proposal would seek to gather this information from individual entities, EEl proposes that relevant NERC technical committees perform this exercise. Nothing should prevent NERC from seeking comments from individual entities, however, some may prefer to not provide more detailed information. In addition, at this time we are not convinced that detailed cost estimates are needed. We are also concerned that cost estimate activities not become over-engineered to the point that companies are compelled to make what might be considered to be good faith cost estimates on activities that will take place over long periods of time. Upon filing at FERC, NERC should have gathered information sufficient to plainly describe the reliability problem being addressed, the manner in which the proposed standard will address the problem, the performance expectations, as well as the kinds of investments and expenses likely to be undertaken that would not occur otherwise. Detailed engineering estimates or creating new bureaucracy should not be the goals

in this exercise. Nor should companies be held to rough cost estimates that may be offered in response to general analysis of a potential reliability matter.
Regarding proposed Section 16, the waiver proposal: EEI believes that this is unnecessary. Successful implementation of SPIG recommendations will eliminate need for waiver of any standards development process steps. As a general matter and to correctly align various responsibilities, EEI supports full ownership of the technical content of standards development projects by the various drafting teams and stakeholders through comments and balloting, and process oversight by NERC management. In comments to SPIG, EEI asked that the confusion over process oversight be resolved once and for all. NERC has the responsibility to deliver proposed standards to FERC and should have the tools to ensure timely responses. If problems develop that challenge timely project completion, drafting teams and NERC management need to efficiently resolve the matters. In addition, EEI envisions much stronger and more disciplined process oversight than has been practiced in some projects in the past, which should eliminate the problem. Instead of anticipating such a problem, EEI challenges NERC and all stakeholders to make strong commitments to develop and execute plans that define specific milestones and deadlines that ensure timely development. Waiving process steps for 'insubstantial' matters is a slippery slope that NERC should avoid. Moreover, there is case precedent that NERC has filed with FERC various 'minor modifications' that were not returned to the standards development process for balloting. The boundary for determining 'insubstantial' should be carefully considered and clarified from legal and regulatory perspectives before a final decision is made.
Individual
Steven Powell
Trans Bay Cable LLC
Yes
No
I can't support the voting change even if it may still comply with ANSI standard development requirements. The ANSI process is generally used for "voluntary" standards or industry guidelines such as IEE 693, rather than for mandatory/sanctionable standards, so that going above and beyond the ANSI process to provide a broad unfettered voting pool is appropriate. Requiring "related" comments with a negative vote, but not a positive vote dilutes the voting pool for those that disagree with the proposal. Tasking drafting teams with making this distinction of what is "related" seems problematic at best. In addition, this change could violate the due process mandate in Section 215 of the FPA requires NERC "provide for reasonable notice and opportunity for public comment, due process, openness, and balance of interests in developing reliability standards and otherwise exercising its duties" Allowing the drafting team to omit any negative vote and comment it deems not "related" does not appear to pass either a "due process" or a "balance of interests" test.
Yes
No
This may meet the SPIG recommendation and the approach seems to have merit, but it is unclear how this sanction table might be interpreted by the RE.
No
This Cost Effective Analysis Proposal is a good first step at giving a price tag to each of these standards. However, it is unclear what happens if the price tag is high and where does the consumer-elected governing body or state regulators have a say in whether that cost is worth the price. Regardless the analysis of the cost is a good first step. It is unclear if the information would be gathered early enough in the process of developing a standard for a standard to be cancelled due to cost concerns. Although, it would be difficult to pre-determine the cost of a standard that may change significantly in the development process, thereby increasing its regulatory cost burden. Generally, support the direction of the CEA proposal, but the issue of FERC exercising its reliability authority in areas where it does not also have rate making authority has created a situation whereby costs are created in a mandatory fashion, but the source of funding is an after-thought. Depending upon the outcome of the BES definition process, this tension may be eased somewhat if the focus returns to the bulk transmission system where FERC has more defined rate making authority.
None

Individual
Patrick Brown
Essential Power, LLC
Yes
Yes
Yes
Yes
Yes
Yes
Individual
Maggy Powell
Exelon Corporation
Yes
Exelon supports the dual goal of maintaining ANSI accreditation and streamlining the development process. Informal comment periods are useful and should be effectively utilized to gather technical and practical input at the front end of the standard development. Figure 1 implies that informal comment periods will only be used for the SAR. Section 4.5 enables SDTs to conduct informal input gathering including informal comment periods. While the specified 30-day time period has been removed, Figure 1 will be more clear if it notes the option for informal input gathering. In streamlining the process, the Standards Committee must not lose focus on how the iterative process leads to a successful final standard. The iterative process refines the standard language addressing problematic aspects over revisions. The requirements are dynamic – a change to resolve one problem is only successful if it does not create another problem. Shortening the process is only achieved with affirmative votes. Affirmative votes depend on standard language being technically accurate for all covered functional entities, clearly understood and realistically achievable. While responding to individual's comments presents a notable workload for drafting teams, the information learned in that process is essential. The individual response makes it clear to the commenter that the SDT heard their issue and it illustrates how the SDT understood the comment. Given the diversity of system designs within the electric delivery grid, summaries run the risk of losing or diluting the technical issues raised by the industry. If summary responses are the only form of response, they must work hard to clearly respond to all points raised by commenters and do so in time for voters to digest the responses. Furthermore, comments that focus on issues prompting a negative vote are critical to the SDT effort. Commenters seek to improve the standard language at all degrees and should be encouraged to do so whether in correcting typos or raising flawed technical assumptions. It may be worthwhile to include an option for SDTs to respond individually and/or some other means to more clearly identify the objections among stakeholders that motivate a negative vote.
No
Exelon supports the EEI comments on Negative Votes and cannot support the current approach. Including all negative votes to achieve quorum but not allowing equal representation in the vote is disingenuous. Negative votes without comment may not provide input to the standard work, but negative votes may or may not be inconsistent with consensus building. The SPM does not address who and how a comment is deemed unrelated to a proposed standard. It's conceivable that broader influences may be driving a vote that may be unrelated to proposed standard language, but equally valid in determining a vote. Also at play is that the current voting system does not allow voters to submit comments with their vote. This is understandable in avoiding duplicative comments between the comment form and the ballot, but at present, votes are not easily aligned with the separately submitted comments forms. An added technical issue is that at present, no comments are allowed in a recirculation ballot. If the SC insists on only counting negative votes with comments, please confirm that that opportunity to comment will be available in the Final Ballot (section 4.14). In addition,

please explain the rationale behind removing abstentions from the quorum (section 4.10). Abstentions have a separate meaning to voters. As currently worded, abstentions hold the same presence as non-responses which is contrary to the distinction. While the ultimate goal is to develop and pass Reliability Standards, this approach appears to be an attempt to “stuff the ballot box.” This is contrary to representation in the full process. The technical issues are likely to be easily addressed; however, such a restriction on the use of negative votes and abstentions warrants reconsideration and a more full explanation of the management of these votes.

No

The role of measures and RSAWs going forward is very confusing. The language in the proposed SPM divorces the compliance component from the standard development; however, it's not clear how NERC will ensure that the relevant context and intent of the standard is reflected in the compliance components. Furthermore, removal of the measures takes away a stable piece of the standard that enables entities to build a compliance program based on predictable measures. Compliance components must be developed in tandem with the standard language to capture context and intent of the standard and to create a stable compliance measure. There is value in developing an RSAW within the standard development process if it achieves creating one RSAW to be used by all regions and does not change over time. Many questions remain about the concept of RSAW development in parallel with standard development – will they be BOT approved, will they change, who can change them, etc. Until it is clear how RSAW development will transpire, the measures component should not be dropped from the standard development. This is a matter of NERC creating credible compliance elements that respect the standard language as written and intended and that are stable over time.

No

Exelon agrees with and supports the EEI comments on the Sanctions Table and VRFs/VSLs.

No

In the CEAP comment period, Exelon raised a number of questions about the CEAP including questions about its role relative to the SPM. There is no mention of the CEAP in the proposed SPM. It remains unclear how these two components will interact and be effectively utilized. More information is needed to assess.

- RISC: The respective roles and responsibilities of the RISC and SC remain unclear. This is a critical component for stakeholders to understand before judging revisions to the SPM. - Section 4.2: For clarity, please consider delineating the drafting team in place at the SAR stage from the drafting team responsible for developing the reliability standard. These are distinctly different tasks in particular because often the SAR requester (either individual or team) participates in developing the draft SAR and in responding to comments on a posted draft SAR. As well, if current practice applies going forward, the Standards Committee can name a SAR comment review team when it approves a SAR for posting. That practice may be prudent in expediting the posting process; however, the SAR review team may not prove sufficiently diverse as a standard drafting team. It is not clear whether the SAR requester/sponsor can serve on the standard drafting team once a SAR is approved as a standard project. This should be clarified to stakeholders. - Section 7.0 – Interpretations: Greater clarity needed on the decision making process behind a potential Standards Committee decision to change a Request for Interpretation into a Standard revision project. As currently proposed, the Standards Committee can reject a request for interpretation if the interpretation seeks to revise a standard, but the SC can also change the interpretation request into a standard revision. It is not clear how such decisions are made and what process transitions occur when a project changes from an Interpretation to a Standard revision. The request should be thoroughly discussed with requesters before a decision is made to change the path forward. The Interpretation requester should also be given the option of objecting to the conversion of an interpretation to a standard revision project and such an objection should be clearly noted in the SAR. In addition, as noted with SARs and Standards projects, it is not clear whether the Interpretation requester can serve on the interpretation drafting team. This should be clarified to stakeholders. If requesters are not to serve on the interpretation drafting team then the SC must emphasize communication with the requester to fully understand the rationale and technical concerns behind the interpretation request. - Section 16: Waiver Provision: Exelon agrees with the EEI comments. This provision is unnecessary and ill advised in its execution - Procedures: The proposed SPM references Standards Committee procedures. Please discuss the role of procedures, the procedure development process, how procedures approved and how procedures are communicated to stakeholders. - Section 4.8, page 20: The language contemplates changes in the individual representing the ballot pool entity, how will changes in the ballot pool entity status such as due to



merger or acquisition be managed? - Section 4.1, page 15: Please clarify what criteria determine the decision to remand or reject and whether the SC will post explanations for SAR rejection. - Section 3.7, page 11 The sentence suggests that there are only eight provinces in Canada when I believe it intends to reference only the eight covered by the NERC regions. I believe merely dropping the second "the" clarifies: "...the provincial governments of each of eight Canadian Provinces (Manitoba, Nova Scotia, Saskatchewan, Alberta, Ontario, British Columbia, New Brunswick and Quebec)..." - EEI comments: While referenced in response to some specific questions above, to the points not yet discussed, Exelon reiterates its agreement and support for the concerns raised in the EEI comments. Thank you for the opportunity to comment.

Group

National Rural Electric Cooperative Association (NRECA)

Barry Lawson

No

Any changes made to the commenting (and balloting which will be discussed in Q2) process must be done carefully so as not to limit, or appear to limit, the ability of industry stakeholders to effectively participate in the standard development process. This will also need to be done with caution in order to prevent and limit the number of appeals that may be submitted due to stakeholders believing their comments were not properly addressed. NRECA understands the desire to modify the Standards Process Manual (SPM) in such ways that will help to shorten the time it takes to develop a standard, definition or interpretation, etc. However, we do have concerns about some of the changes that have been proposed. The use of summary comments instead of individual responses to each stakeholder comment is a significant formal change to the SPM. While this is permitted in the current SPM for informal ballots, permitting summary comments as the only comment response required in the one and only formal comment period is new and could be problematic. First, a stakeholder may not receive a response from a SDT until the final formal comment period even after possibly submitting multiple rounds of comments. Second, a stakeholder may not have any indication how their comments were treated or responded to by the SDT since no comment responses are required until the final comment period. Third, the response they may receive may not be a direct response to their comment as it could be generically responded to in a summary comment. NRECA believes summary comments are adequate for the informal comment periods, but that individual responses to comments should be required in the final formal comment period.

No

While NRECA agrees it would be helpful if "negative" votes included some form of written support, we are concerned that judgment of whether a comment with a "negative" vote is adequate is likely to be very subjective. It will be a difficult and subjective exercise for SDTs and/or NERC to judge whether a "negative" vote comment is good enough for that vote to be counted towards the ballot result. While the process in the draft SPM provides the "negative" balloter the opportunity to provide a comment after the ballot is concluded that will allow for their vote to be counted, NRECA is concerned that the proposed SPM revisions in this topic area will be very difficult to implement without a significant number of appeals being submitted. To complicate matters, currently a balloter cannot submit a comment with an "affirmative" or "negative" vote. NRECA is not sure of the reason for this current limitation and asks when will this be corrected? Based on the preceding statements, NRECA requests that the proposed modifications to the SPM related to "negative" ballots without comment, or related comment, be deleted. At this time we believe staying with the current process is better than making changes that could be problematic. NRECA also requests clarification regarding the reasoning for removing abstentions from counting toward quorum.

No

NRECA does not agree that adequate support has been provided for the elimination of Measures and replacing those elements with a vague role for SDTs in the development of RSAWs. It is unclear what the roles are for NERC staff and SDTs as it relates to the development of RSAW language. In addition, without knowing the role for SDTs, we are unsure if this will be a time saving change for the SPM. We request that further details be provided in this area so stakeholders can make an informed decision on this issue.

No

After reviewing the draft SPM, NRECA still has questions regarding the elimination of VSLs/VRFs and effectively replacing them with Type of Requirement and Level 1 through 4 violation criteria. How is

the proposed Sanctions Table qualitatively different from the current Base Penalty Amount Table? Who will make the determinations in the proposed Sanctions Table to determine the penalty range – NERC/RE staff alone, or with an active role for the SDTs during the standard development process? What is the basis for monetary amounts used in the Sanctions Table? When answers are provided to these questions NRECA will be better able to determine whether it supports these changes.

No

NRECA and other industry stakeholders recently submitted comments on the CEAP. From NRECA's standpoint, until we see how our comments, and comments from others, are addressed, we are unable to state whether the CEAP adequately addresses the SPIG recommendation and whether it appropriately addresses the cost-effectiveness issues that are associated with standard development and compliance responsibilities.

NRECA has the following additional comments/questions that we request responses to before we can offer complete support for the draft SPM modifications: Has any analysis been completed to determine whether and to what extent these proposed SPM changes will actually shorten the time for developing a standard? Such analysis would be helpful in gaining a better understanding of the impact these proposed changes may have. NRECA remains concerned about the lack of clarity related to the RISC proposal and its impact on the current and future role of the SC. Further clarity in this area is urgently needed so stakeholders can better understand the respective roles and responsibilities. In the last paragraph of Section 2.5 of the proposed SPM under Application Guidelines, the relevant scope of a standard is stated to be informational only. NRECA believes this language is confusing and appears to state that the relevant scope of a standard is not part of the mandatory and enforceable component of a standard. The relevant scope of a standard should not be only an informational component of the standard. NRECA requests that this language be clarified such that the relevant scope of the standard is not something NERC can appear to be able to change as needed due to its informational-only status. The relevant scope of a standard should only be changed through the use of the standard development process. NRECA strongly disagrees that Section 3.4, items b and d are not appropriate reasons for the SC to disband a SDT. There may be many reasons why a SDT may not be able to achieve industry consensus or fully address a regulatory directive. We request that items b and d be deleted. In Section 4.1, 2nd bullet on what the SC can do with a SAR, NRECA requests that this be revised to require the SC to provide an explanation of why the SAR is being remanded. In addition, in the 3rd bullet it is unclear what is meant by "good cause?" Without further support, it appears the SC can reject a SAR for any reason as long as it provides a written response. NRECA believes this is too broad and that further context is required on the term "good cause." In Section 4.6 it is unclear to NRECA how QR will be done in parallel with standard development. Please provide additional direction in the SPM on how this is to be accomplished during standard development. Also in Section 4.6, what is "criteria specified" and "specified criteria" referring to? The SPM does not clearly point to such criteria. In Section 4.18 NRECA has a similar concern about what "good cause" means in this context. Please provide further SPM language to better quantify this language. Currently it may be overly broad. In Section 4.19 NRECA believes this section should also reference the retirement of only a requirement, not only the entire standard. In Section 7.0, item (2), NRECA does not understand why an interpretation can't be done for this reason. Please delete or provide further information to support his change. Also, in item (3), shouldn't this actually say that the interpretation work would be done by the active SDT, not that the RFI would be rejected? Also in Section 7.0, last two paragraphs of this section are confusing. It is not clear how the NERC reliability and legal staff review and the ballot results are coordinated in the process. Please clarify the roles of the staff review and the ballot results so that the SPM is clear on the respective roles. NRECA is concerned by the deletion of the expedited process from the SPM. Please provide an explanation of why this helpful provision is being proposed for deletion. In Section 10.8 how and when will the pre-defined SMEs be determined? NRECA does not support the addition of Section 16.0 to the SPM. We believe such authority is overly broad and we are not aware of any demonstration of need for such a broad waiver authority of any provision of the SPM. NRECA is also concerned that use of this waiver provision would appear to eliminate the need for the SC to report SPM violations to the CCC. While reporting use of the waiver provision to the BOT is helpful, the elimination of the checks and balances of having the CCC review such actions is troubling.

Individual

Keira Kazmerski

Xcel Energy

No
1) We appreciate what was trying to be accomplished with this modification. However, the process to determine if an entity's comment is unrelated seems cumbersome and potentially long, plus there is the possibility that ballot results would not be final for 60+ days. Therefore, we do not see how this change would benefit standard drafting teams or NERC staff. (Nor do we feel it will speed up the process.) The Xcel Energy personnel that participate on standard drafting teams indicated that it is rare to get a truly unrelated comment anyway. So, we recommend that the negative vote be counted in the total approval count, and that the process be removed. We do agree that ballots with no comment at all should not be counted in the ballot pool approval. 2) "Consensus vote", under section 1.4, should be modified to match the wording in section 4.10.
No
1) Evidence Retention is being removed as an Element of a Reliability Standard. We assume this will be moved into the RSAW, along with measures. Since there is mention of the drafting team assisting in the development of RSAWs, it would be helpful to provide a short list of items that shall be included in the RSAW, such as evidence retention requirements. 2) The last sentence of the first paragraph under section 3.5 needs modification. Currently, it states that the drafting team will assist in the RSAW development "as needed". We disagree that the drafting team's participation be at the discretion of NERC staff. Instead, it should be clarified that the drafting team will actively participate in the development of the RSAW. Furthermore, since they own the technical content in the standard, their perspectives on the technical aspects of the RSAW should also be given significant consideration.
No
1) The dollar range for Level 2 seems disproportional to the others. We suggest removing a zero from the end of both the min and max range, in all 3 tables. 2) Since there appears to be confusion regarding how these sanction tables might impact FFT treatment, we recommend a footer be added (or clarification in the white papers) to clarify that the sanction tables are not used for FFT candidates, as they are not assessed a penalty at all. (Versus \$0 penalty) 3) Recommend adding another level for items that have no impact on reliability, with a starting value of \$0. Currently, the criteria for FFT treatment could still allow a "no impact on reliability" violation to not qualify for FFT treatment. In those cases, enforcement staff should have a level that accurately reflects the circumstances of the violation. 4) It would be helpful if more transparency were provided on the discount range for various mitigation actions. (Comparable to a 0-20% good driver discount on auto insurance.) This could be as simple as a non-exhaustive list of most common mitigating actions. We feel this will proactively promote better behavior, and give entities a better idea of expected outcome after a violation has occurred.

Additional Comments Received: National Grid

1. In Recommendation 1, the SPIG recommended that NERC continue to meet the minimum requirements of the American National Standards Institute (ANSI) process to preserve ANSI accreditation. In Recommendation 5, the SPIG encouraged NERC to address standards process and resource issues by revising the standard development process to improve timely stakeholder consensus in support of new or revised reliability standards. This recommendation included suggestions that comment responses be bundled, and that the SDT post the draft standard for an informal comment period of 30 days but not be required to respond to comments.

NERC has confirmed with ANSI that only one formal comment period is required under ANSI's process. To fulfill Recommendation 5 while remaining in accordance with

Recommendation 1, the revised standard process requires only one formal comment period. The drafting team is required to respond to comments in writing prior to a Final Ballot being conducted, although the team may respond in summary form. The drafting team may offer individual responses if deemed necessary or useful for developing additional consensus. Informal comment periods and other means of gathering informal input may be employed at any time to collect stakeholder feedback, but the drafting team is not required to respond in writing to comments obtained in these forums (though they may do so if they wish).

Do these proposed revisions adequately address the SPIG Recommendations? If not, please explain why and offer an alternative solution for improving the timely development of standards while maintaining ANSI accreditation.

Yes

No X

Comments: National Grid supports the goal of SPIG recommendation 5 to revise the standard development process to improve timely stakeholder consensus. However, the steps taken to streamline the average duration of the standard development process must be balanced with the need to allow adequate time and opportunity for stakeholder review and input. National Grid agrees that requiring only one formal comment period is an adequate way to gain process efficiency; however, this reduction in formal comment periods should be balanced with a *requirement* for at least one method for informal stakeholder feedback prior to the formal comment period. Because informal feedback is optional in the current draft SPM, the proposed revisions to Sections 4.5 and 4.7 permit a standard to be developed with only one formal comment period and no other opportunity for the industry to provide feedback and guidance. National Grid is concerned that this process may inadvertently result in more process delays. With the possibility of only one chance to submit feedback, the formal comments will might be overloaded and burdensome to process with information that could have been gathered informally and the need for more successive ballots may result in order to address issues raised in formal comments. National Grid understands that informal feedback is encouraged, but without a requirement, the need and pressure for faster and faster processing of standard development could easily result in a trend of abandonment of informal feedback with the result of a unintended longer process on the back end of a project. Making informal feedback a required step will guard against possibly unnecessary delay while achieving process efficiency in conjunction with the elimination of the second formal comment period.

In place of the eliminated additional formal comment period, the drafting team should be required, not encouraged, to use at least one of the methods for informal stakeholder feedback that is set forth in Section 4.5. By retaining the flexibility to use a variety of informal feedback methods, and by retaining the flexibility for the drafting team to set the deadline for informal comment periods (i.e. not requiring 30 days for informal feedback), sufficient time-savings can be achieved in the overall process,

but the industry will be guaranteed at least two opportunities to weigh in. This is the most effective and fair way to meet SPIG recommendation 5.

Accordingly, National Grid recommends the following edit to the first sentence of proposed draft of Section 4.5 (changes appear in italicized text):

*Prior to the formal comment period, drafting teams must use at least one of the following methods to collect informal stakeholder feedback on preliminary drafts of its documents:*

- *Informal comment period(s) of duration at the discretion of the drafting team*
- *Webinar(s)*
- *Industry meeting(s)*
- *Workshop(s)*
- *Other mechanism(s) that solicit informal industry feedback in an open and transparent way.*

[The remainder of the draft text of Section 4.5 could remain as drafted].

With regard to permitting responses to formal comments in summary form, National Grid supports this change as a reasonable method to achieve process efficiency because the language of the draft Section 4.13 makes clear that “the drafting team must respond in writing to every stakeholder comment” and “all comments and objections must be responded to by the drafting team.” As long as this language remains, National Grid supports responses in summary form. National Grid notes that drafting teams should strive to ensure that summary responses clearly correspond to comments to which they respond.

2. As noted in Question 1, SPIG Recommendation 1 states that NERC should continue to meet the minimum requirements of the American National Standards Institute (ANSI) process to preserve ANSI accreditation. Currently, the NERC standards development process exceeds the minimum ANSI requirements in two areas that involve the treatment of Negative (No) ballots (ballots “rejecting” a standard or standards-related item, both with and without comments):
  - a. The NERC Standards Development Process considers negative votes with comments (regardless of the nature of the comment or if the comment is even relative to the standard being balloted) in both the determination of quorum and in calculating industry consensus.
  - b. The NERC Standards Development Process considers negative votes without comments in the determination of quorum and in calculating industry consensus.

ANSI requirements consider negative votes with comments related to the proposal under consideration in determining quorum and the calculation of industry consensus. However, ANSI requirements do not require the consideration of negative votes accompanied by comments that are not related to the proposal under consideration, or negative votes without comments in determining industry consensus. ANSI requirements allow for negative votes to be considered only in the calculation to determine quorum.

Thus, in the revised Standard Processes Manual, negative votes that are submitted without comment, or that are submitted with a comment unrelated to the posted standard, will be included in the determination of quorum but will not be included in the determination of consensus. Stakeholders will be given explicit guidance on submitting constructive comments to drafting teams, and they will be given an explanation if their vote and associated comment are not included in consensus (with the opportunity to appeal). This change ensures that stakeholders are encouraged to offer constructive feedback that drafting teams can use to improve draft standards and reach consensus efficiently.

Does this proposed revision adequately address SPIG Recommendation 4? If not, please explain why and offer an alternative solution for improving the timely development of standards while maintaining ANSI accreditation.

Yes X

No

Comments:

3. As part of Recommendation 4, the SPIG encouraged NERC to require the alignment of standard requirements/measures with Reliability Standard Audit Worksheets (RSAWs). The SPIG also recommended that NERC revise the Essential Elements of the Standards Template to eliminate redundancies.

To address these recommendations, the revised Standard Process Manual eliminates measures from the standard template in favor of having drafting teams work with ERO compliance staff to develop more detailed RSAWs in parallel with the standard.

Does this proposed revision adequately address SPIG Recommendation 4? If not, please explain why and offer an alternative solution for addressing the SPIG's

Recommendations with respect to RSAWs and the Essential Elements of the Standards Template.

Yes X

No

Comments: Because measures are not an enforceable aspect of the standard, National Grid supports their removal from the standard. Additionally, National Grid views RSAWs as an effective tool for maintaining auditable compliance and for facilitating the audit process. It makes sense for the RSAWs to be developed in conjunction with the standard to ensure that RSAWs truly track the actual requirements of a standard without adding to or changing them. National Grid cautions against attempting to include examples, factors, specific suggestions for meeting compliance etc. in RSAWs because these types of elements can trend toward changing the actual requirements of a standard or suggesting to auditors a more limited scope of enforcement than the language of a standard permits. The lessons learned in attempting to develop VSLs should inform the RSAW drafting process – i.e. it is impossible to preemptively determine all possible methods of compliance, and attempting to develop examples or factors that are not expressly set forth in the actual requirements can lead to overly restrictive enforcement practices during and audit. The requirements of a standard should be clear enough to permit for compliance, even if the requirements allow for multiple methods to achieve compliance. The RSAWs should simply track and reflect the actual requirements of a standard, and drafting the RSAW in conjunction with the standard should better ensure this outcome. National Grid agrees that RSAWs should not be submitted to FERC for approval along with the standard.

4. As stated in Question 3, as part of Recommendation 4, the SPIG encouraged NERC to revise the Essential Elements of the Standards Template to eliminate redundancies, using Violation Severity Levels (VSLs) as an example.

To address this Recommendation, the revised Standard Process Manual eliminates VRFs and VSLs from the standard template in favor of a Sanction Table Reference (Results-Based Requirement Category Reference) to conserve drafting team and stakeholder resources and ensure consistency in the application of sanctions.

Does this proposed revision adequately address SPIG Recommendation 4? If not, please explain why and offer an alternative solution to revise the Essential Elements of the Standards Template to eliminate redundancies such as VSLs.

Yes X

No

Comments: National Grid supports the elimination of VSLs in favor of a table in the format of the proposed Results-Based Sanction Table; however, National Grid opposes some of the language proposed in the “Level” descriptions of the table. National Grid recommends the following changes to the table:

1) The name of the table should be changed to “Results-Based Sanction Table Guideline” and each section of the table should include the word “guideline” i.e. “Operations Sanction Table Guideline”; “Cyber Security Sanctions Table Guideline” ; “Planning Sanctions Table Guideline”. This change would ensure that those using the table understand that the sanctions presented are not mandatory, fixed penalty amounts, but are a guideline or starting point for a baseline penalty. This aligns with the existing NERC Sanctions “Guideline”. National Grid assumes that this table will eventually be incorporated into the Rules of Procedure as part of the NERC Sanctions Guideline, but if the table will be used as a guidance document prior to that time, then the name of the table should be changed to ensure the table is correctly applied correctly.

2) The ‘Cyber Security’ Sanctions Table should remove references to Low, Medium, and High Impact BES Cyber Systems from the “Level” descriptions. These references will perpetuate one of the major existing problems with the VSL table – i.e. the overstatement of severity of minor violations resulting in higher-than-necessary baseline penalties. By matching the Levels to Low, Medium, or High Impact Elements, any violation of the standard associated with a certain facility, even a mere documentation error, will fall into the Level assigned to that asset. For example, a documentation error that causes little to no risk to the BES that is related to a requirement applicable only to High Impact BES Cyber Systems will fall into Level 3 with a high penalty range. In the current draft of CIP Version 5, most of the requirements are applicable only to Medium and High Impact systems; thus, nearly all violations will fall into Level 2 or Level 3 on the proposed table regardless of actual risk. This is not commensurate



with the purported purpose of the table as a substitute for VSLs. The remaining language in the table, without the references to affect on Low, Medium, and High Cyber Systems, is sufficient to allow the Regional Entity to assess the impact of a violation of a CIP standard on the BES. The references should be removed.

3) “Other” should be removed from the ‘Cyber Security’ Sanctions Table in the Performance-based category. The term is too broad. If there are performance-based type requirements other than “acts to protect cyber assets” then they should be spelled out.

4) In the ‘Planning’ Sanctions Table, the Level 3 and Level 4 language should be modified. Violations of planning requirements occur when an entity fails entirely to have a required plan or fails to have a sufficient plan (one having all required elements). The language should be modified to be more clear so that the focus is on whether the plan is sufficient according to the terms of the standard. As drafted, the language could be read to mean that a plan *with all required elements* that for some reason does not achieve desired results could be penalized. The following language is recommended:

Level 3 – a violation results in a plan that is insufficient pursuant to the requirements of the standard and the plan’s insufficiency could contribute to an adverse affect on the BES’ ability to respond to contingencies.

Level 4 – a violation results in a plan is insufficient pursuant to the requirements of the standard and the plan’s insufficiency could directly cause an adverse affect on the BES’ ability to respond to contingencies.

In addition to the above modifications to the table, National Grid recommends that a transition team be put into place in order to review existing standards for designation and categorization of the existing requirements in accordance with the new table. This will shorten the transition period between use of the VSLs for existing requirements to enabling use of the new table. If the team identifies requirements that do not fit into a category, the team can recommend those requirements for future modification. National Grid realizes that a transition team of this sort requires resources and will need to be prioritized appropriately in light of other ongoing standards development projects. However, continuing to use the VSLs for existing standards until the standards happen to be due for amendment will unnecessarily drag out the transition period where both VSLs and the new Results-Based Table will be used. Considering the problems with applying the VSLs that have been identified, National Grid suggests it would be wise to devote some resources to shortening this transition period as much as possible.

5. As part of Recommendation 4, the SPIG encouraged NERC to ensure the cost effectiveness of standards through documentation of alternatives analysis.

A Cost Effective Analysis Proposal (CEAP) was posted for industry comment on May 7, 2012, through July 6, 2012. Does this draft document adequately address the SPIG Recommendation? If not, please explain why and offer an alternative solution for ensuring the cost effectiveness of standards through documentation of alternatives analysis.

Yes

No

Comments: [National Grid's understanding is that the CEAP document that was proposed is not intended for inclusion in the SMP and is not part of the currently proposed SPM revision, therefore is outside the scope of comments related to the SPM at this time.](#)

6. If you have any other comments on these proposed revisions that you haven't already mentioned above, please provide them here:

Comments:

1) Standards Drafting Team Composition: National Grid supports the changes to Section 3.6 with regard to composition of drafting teams. However, National Grid believes that the standards drafting teams need better leadership in order to operate effectively, especially if quality review will be an ongoing process. National Grid recommends that this section be further revised to designate a project manager for each Standards Drafting Team with a defined role to: 1) ensure project deliverables and deadlines are met; 2) be responsible for oversight of the quality review process; 3) ensure the work of the team remains within the scope of the SAR. National Grid is not suggesting that a new position be created, but that a better-defined project manager function could be incorporated into either the role of the team chairperson or the team's NERC facilitator. With the addition of more non-technical experts to drafting teams, the project manager role might be better served by a non-technical member of the team.

2) Section 16 Waiver Provision: National Grid generally supports the concept of a waiver provision with appropriate controls/qualifications to ensure the provision is not abused. National Grid is concerned that the proposed Waiver provision, as drafted, is slightly too broad. The provision should require a clear demonstration of why the SPM process is inadequate in the circumstances where a waiver is permitted. National Grid suggests the following edits to the first two bullet points following "limited to the following circumstances":

- Where the standards team demonstrates that the SPM process will not allow the team to meet regulatory deadlines set by FERC;
- Where the standards team demonstrates that the SPM process will not allow the team to meet deadlines imposed by the NERC Board of Trustees; or. . .